



Together we preserve Massachusetts public pensions for the road ahead.

Annual Report 2005

Commonwealth of Massachusetts | Public Employee Retirement Administration Commission



MISSION STATEMENT The Public Employee Retirement Administration Commission (PERAC) was created for and is dedicated to the oversight, guidance, monitoring, and regulation of the Massachusetts Public Pension Systems. The professional, prudent, and efficient administration of these systems is the public trust of PERAC and each of the 106 public pension systems for the mutual benefit of the public employees, public employers, and citizens of Massachusetts. The stewardship of the Trust Funds for the sole purpose of providing the benefits guaranteed to the public employees qualifying under the plans is the fulfillment of the obligation of the people of the Commonwealth to those who have dedicated their professional careers to the service of the people of the Commonwealth.

Public Employee Retirement Administration Commission

Annual Report 2005

CONTENTS

• Commission Members	ii	• Framingham	45	• North Attleboro	86
• Letter from the Chairman	2	• Franklin County	46	• Northampton	87
• Letter from the Executive Director	3	• Gardner	47	• Northbridge	88
• 2005 Financial Market & Board Performance Review	7	• Gloucester	48	• Norwood	89
• Introduction to the Board Profiles	11	• Greater Lawrence	49	• Peabody	90
• Composite Investment Profile	12	• Greenfield	50	• PRIM	121
		• Hampden County Regional	51	• Pittsfield	91
		• Hampshire County	52	• Plymouth	92
		• Haverhill	53	• Plymouth County	93
Board Profiles		• Hingham	54	• Quincy	94
• Adams	13	• Holyoke	55	• Reading	95
• Amesbury	14	• Hull	56	• Revere	96
• Andover	15	• Lawrence	57	• Salem	97
• Arlington	16	• Leominster	58	• Saugus	98
• Athol	17	• Lexington	59	• Shrewsbury	99
• Attleboro	18	• Lowell	60	• Somerville	100
• Barnstable County	19	• Lynn	61	• Southbridge	101
• Belmont	20	• MHFA	62	• Springfield	102
• Berkshire Regional	21	• MWRA	63	• State	103
• Beverly	22	• Malden	64	• State Teachers	104
• Blue Hills Regional	23	• Marblehead	65	• Stoneham	105
• Boston	24	• Marlborough	66	• Swampscott	106
• Braintree	26	• Massport	67	• Taunton	107
• Bristol County	27	• Mass Turnpike	68	• Wakefield	108
• Brockton	28	• Maynard	69	• Waltham	109
• Brookline	29	• Medford	70	• Watertown	110
• Cambridge	30	• Melrose	71	• Webster	111
• Chelsea	31	• Methuen	72	• Wellesley	112
• Chicopee	32	• Middlesex	73	• West Springfield	113
• Clinton	33	• Milford	75	• Westfield	114
• Concord	34	• Milton	76	• Weymouth	115
• Danvers	35	• Minuteman Regional	77	• Winchester	116
• Dedham	36	• Montague	78	• Winthrop	117
• Dukes County	37	• Natick	79	• Woburn	118
• Easthampton	38	• Needham	80	• Worcester	119
• Essex Regional	39	• New Bedford	81	• Worcester Regional	120
• Everett	40	• Newburyport	82		
• Fairhaven	41	• Newton	83	• Disability Retirement Statistics	123
• Fall River	42	• Norfolk County	84		
• Falmouth	43	• North Adams	85	• PERAC Staff	Inside Back Cover
• Fitchburg	44				

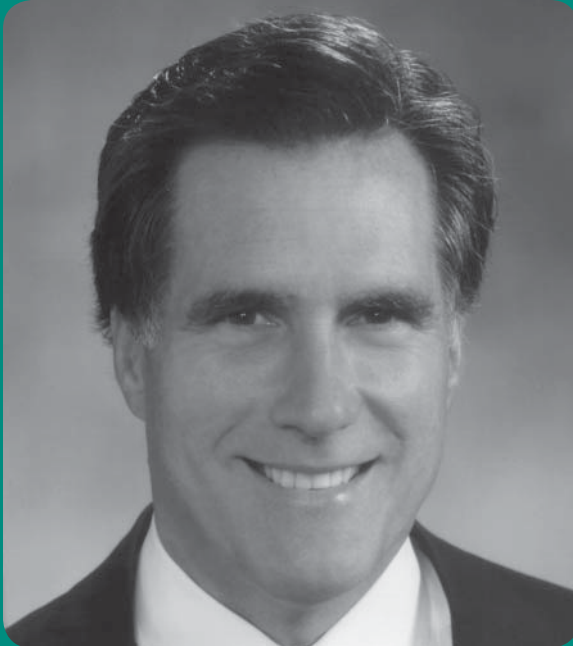
Commission Members



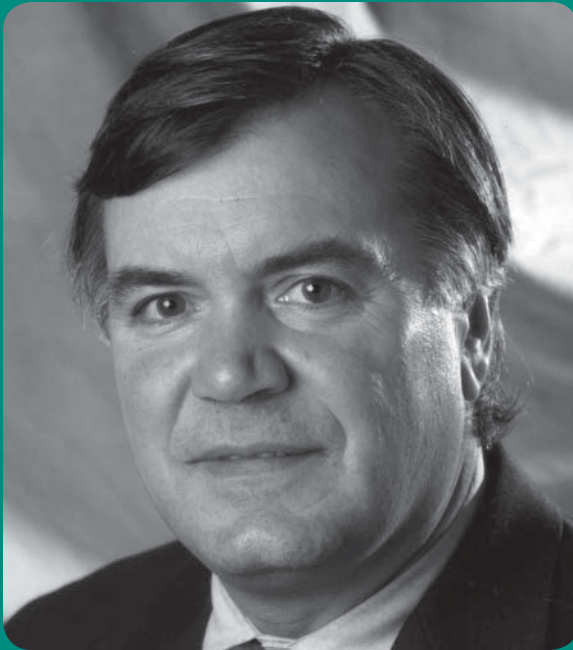
The Honorable Domenic J. F. Russo
Chairman



The Honorable A. Joseph DeNucci
Auditor of the Commonwealth
Vice Chairman



The Honorable Mitt Romney
Governor of the Commonwealth



Kenneth J. Donnelly
Lieutenant, Lexington Fire Department



James M. Machado
Sergeant, Fall River Police Department



Donald R. Marquis
Former Town Manager, Arlington

Letter from the Chairman

The Public Employee Retirement Administration Commission is pleased to release this *2005 Annual Report* detailing the Commission's activities and the experience of the Massachusetts public pension plans during that year. The information in this report is presented through more extensive use of graphs and incorporates asset allocation data for the first time.

As recounted in the report, investment performance in 2005 moderated somewhat in comparison to previous years. However, Massachusetts' systems in general matched the performance of investors nationwide and, in some cases, performed exceptionally well. This performance proves that the retirement boards invest as well as their peers, and this should give comfort not only to the general public but, most importantly, to those who rely on the systems for their retirement benefits.

A major undertaking by the Commission in 2005 was the development of a package of legislative reforms presently before the Legislature. PERAC appointed a Special Committee, chaired by former Attorney General Scott Harshbarger, that reviewed the statutory and regulatory environment and made several recommendations pertaining to education of board members, investment procedures, disclosures, and other matters. On behalf of the Commission, I would like to thank the former Attorney General and his esteemed group for their contribution to the well-being of our pension systems.

In 2005, the Commission hosted its second Annual Forum on Emerging Issues. That event was devoted to health care matters and the imminent accounting and

funding requirements for post-retirement benefits embodied in GASB 45. Over 200 attendees heard a number of distinguished speakers review developments, outline cases, and suggest actions in this increasingly important area. The next Forum, slated for June 22, 2006, will review the topic of "Scandals and Solutions: Ethical Dilemmas in Public Stewardship," a subject of growing relevance as pension plans, both public and private, across the country find themselves in the midst of varying degrees of controversy.

Last year, I noted that there had been a change in the Commission's composition, as Henry Brauer had assumed the investment position. Recently, Commissioner Brauer resigned his position. During his tenure, he was an invaluable contributor to the Commission's deliberations on all matters, and we thank him for his service.

Retirement board members are responsible for a variety of vital tasks in the performance of their duties. In administering the systems, board members oversee the management of a \$40 billion enterprise that is the financial lifeblood for those employees, retirees, and beneficiaries who are dependent on the pension plan for benefits. In the last decade, the system has weathered the storm of poor capital markets, changing responsibilities, and controversy. Some challenges remain and, no doubt, the future will bring new and varied challenges; nonetheless, taxpayers, public policy makers, as well as employees, retirees, and beneficiaries can count on the commitment of the dedicated board members and staff who administer our pension plans.

The Commission and staff remain dedicated to working with the retirement boards to protect the interests of system members and beneficiaries. We look forward to further cooperation and shared accomplishments.

Sincerely,



Domenic J.F. Russo
Chairman



Letter from the Executive Director

It is nearly a decade since the Legislature adopted Chapter 306 of the Acts of 1996 which created the Public Employee Retirement Administration Commission (PERAC). Much has taken place in the years since, including a change in the manner in which COLAs are granted, the establishment of a process to enforce provisions of law regarding post-retirement earnings, and progress in the funding of our pension systems.

In that time, PERAC has had four chairmen. Paul Menton led the Commission in its early years as it established the organizational structure that exists today. Elizabeth Laing, whose untimely death robbed us all of her wise counsel and patient advocacy, presided over the years in which PERAC solidified its reputation as an objective source for analysis, opinion, and fairness. Robert Tierney built on that work and, through the extensive knowledge he had gained at DALA, he contributed to the Commission's comprehensive approach to issues. Judge Domenic J.F. Russo, our present chairman, has provided the leadership under which the Commission has achieved the accomplishments outlined herein. I would like to extend our thanks to all of these fine individuals whose dedication to public service has made a permanent contribution to the well-being, not only of employees, retirees, and beneficiaries, but to the Commonwealth itself.

In terms of changes in the Commission, we were recently notified that Commissioner Henry Brauer had resigned his position. Although Commissioner Brauer served on the Commission for a relatively short time, he brought his expertise to bear on a number of difficult issues and greatly contributed to the Commission's success.

During the course of 2005, some PERAC staff members left us to begin new phases in their careers and new personnel joined our agency. I extend my sincere thanks for a job well-done to those individuals whose service to PERAC has ended. It is a pleasure to welcome those staff members whose tenure has only recently begun. These newcomers join a group of professionals who have served the agency ably for a number of years. They are the Commission's pride. Every person on the PERAC team brings unique skills and abilities that contribute to our success. The importance of the integral role that PERAC plays in developing and establishing public pension policy is reflected in the commitment of the hard-working professionals who make up this agency. It is their contributions that are essential. On behalf of the Commission, I express our gratitude for their efforts.

Reform

Last year, we reported on the concerns facing pension plans across the country and how the Massachusetts public pension environment can be improved to address some of those concerns. In particular, the area of transparency in the management of the pension system is a common concern throughout the pension community. In addition, as always, the challenge exists to maintain and improve on investment returns in order to assist in the financing of liabilities.

With this in mind, and in light of recent developments, the Commission created the Reform Initiatives Advisory Committee, chaired by former Attorney General Scott Harshbarger, to review the law and regulation to give boards the tools to meet these challenges proactively. In the fall, the Committee filed its report. PERAC then sought the views of the Public

Last year, we reported on the concerns facing pension plans across the country and how the Massachusetts public pension environment can be improved to address some of those concerns. In particular, the area of transparency in the management of the pension system is a common concern throughout the pension community.

The Commission believes that the “waiver/exemption” process should be reviewed with an eye towards making it less onerous. This will enable the Commission to increase the emphasis on competitive process and fiduciary compliance. Such a reform requires more extensive statutory or regulatory guidance to the boards about the competitive process for vendor selection. The proposal recommends a procurement process similar to the one required in Chapter 30B for government procurement at the local level.

Pension Advisory Group (PPAG), a group comprised of board members and administrators that meets regularly with PERAC, about various aspects of the legal and regulatory framework. PERAC also held a series of open sessions throughout the state to gain input from board members, administrators, impacted parties, and the public. Following that process, the Commission again reviewed the proposals, made several changes, and forwarded statutory language to the Legislature’s Committee on Public Service.

The legislation focuses on the following:

First—Since the investment environment in which boards operate has remained essentially the same for the last 20 years, changes should be adopted to grant boards greater flexibility while insuring that assets are protected.

The Commission believes that the “waiver/exemption” process should be reviewed with an eye toward making it less onerous. This will enable the Commission to increase the emphasis on competitive process and fiduciary compliance. Such a reform requires more extensive statutory or regulatory guidance to the boards about the competitive process for vendor selection. The proposal recommends a procurement process similar to the one required in Chapter 30B for government procurement at the local level.

The expansion of existing disclosure requirements for payments associated with obtaining business from a retirement board and enhanced penalties for failure to disclose would replace the exemption process. The annual filing of disclosure forms and the delineation of all payments to and from any service provider would be components of such a change.

PERAC would retain the ability to prohibit a particular investment if it is in the best interest of the system.

Second—If a retirement system is in fiscal or administrative jeopardy that necessitates quick (perhaps temporary) action to protect assets, or to ensure the members’ rights are secure, PERAC must be able to act.

We can all envision circumstances in which a municipality has failed to make contributions, or rogue investment managers have adopted a strategy that threatens the stability, or even the viability of the system.

Consequently, in conjunction with the expansion of board authority and the reduction of regulation in the investment area, mechanisms to allow for speedy remedial action, as well as deterrence of any threat to system assets are suggested.

Third—There are governance issues that have re-

cently come to the forefront that must be addressed. Board employees and vendors serving on boards clearly raise governance issues. There has been much discussion about the role of corporate directors, the need to avoid conflicts, and insure independence in the management of American corporations. Similarly, restrictions should be placed on board membership to avoid real or perceived conflicts.

Fourth—In light of some of the circumstances outlined above relative to vendors and disclosure of conflicts, the disclosure requirements for vendors and board members need to be changed.

Fifth—Along these lines, there is a need for financial disclosure by board members, similar to the reporting requirements included in the Financial Disclosure Statement filed by state policy makers. The amount of assets under management by boards and the complexities of the marketplace make the establishment of such disclosure a necessary tool. The goal is to not only address possible conflicts before they arise, but also to remove the perception of conflict of interest among system members, policy makers, and the public.

Sixth—Disciplinary action should be taken when a firm or individual providing services to the retirement boards is convicted of a crime related to procurement, or engages in practices that undermine public confidence in that firm’s ability to provide services. With the creation of a clear statutory process, necessary action could be taken while the rights of those involved are safeguarded.

On May 4, 2006, the Joint Committee on Public Service, chaired by Senator Patricia Jehlen and Representative Jay R. Kaufman, on a unanimous vote of members present, reported a strong pension oversight and governance reform bill that includes many of the provisions proposed by PERAC. We look forward to working with the Legislature as it considers this important measure.

Veteran’s Benefits

Legislation, approved in 2005, provided the additional veteran’s benefit of \$15 per year for each year of creditable service, up to a maximum of \$300 per year, to any Group 1, 2, or 4 member who is a veteran and who retires due to an accidental disability. The measure becomes effective upon local acceptance. In addition, the benefit can be made retroactive through action at the local level.

Military Pay

A measure has also become law that provides that counties, cities, and towns may pay an employee, who has been granted a military leave of absence because he or she is a member of the Army National Guard, the Air National Guard, or a reserve component of the armed forces called to active duty, an amount equal to base salary less any amount received for military service.

COLA Study

The retiree's association advanced, and the Legislature approved, a measure to direct PERAC to conduct a study of the cost associated with increasing the COLA base from \$12,000 to \$22,000. The study detailed the impact of increases in \$1,000 increments, thereby providing analysis of options available between \$12,000 and \$22,000. The *PERAC Report on Impact of COLA Base Increase* was issued in September 2005.

The report states, "COLAs are an important piece of sound pension plan design, especially for members who retire with long service. Defined benefit plans are designed to replace a certain percentage of a member's pre-retirement income. COLAs attempt to keep a retiree's benefit current with inflation over time."

Following a review of the *Report*, the Commission recommended that the COLA base be increased from \$12,000 to \$16,000. In addition, PERAC suggested that costs associated with that increase be funded through the existing funding schedule or a modification of the existing funding schedule. This decision was premised on the fact that the current COLA base has not kept up with pension inflation: the current base disadvantages the longer service employees and is not competitive with most other pension plans.

Regular Compensation

On several occasions in 2005, the Commission met to consider the issue of whether certain payments generally associated with salary augmentation plans qualified as regular compensation for inclusion in the calculation to determine a retirement benefit. In the fall, the Commission adopted a regulation setting forth a new definition of regular compensation. Following a series of hearings across the state attended by hundreds of interested employees and their representatives, changes were made, and the final draft was filed with the Secretary of State. The PERAC regulation became effective on April 7, 2006.

The Commission recognizes that the decision to adopt a new definition of regular compensation has caused controversy. We thank all of those who made presen-

tations or submitted statements for consideration as the Commission wrestled with this difficult issue. We believe the final resolution is a fair one and that it will insure that all employers and employees engaged in collective bargaining have a clear understanding of this issue as negotiations proceed.

New Mortality Tables

The Fiscal Year 2005 State Budget also directed PERAC to establish new actuarial equivalent factors to be used in the calculation of retirement allowances. This included the development of a new mortality table and interest rate to be used in the determining those factors.

The new actuarial equivalent basis is the RP-2000 Combined Healthy Table with 50% male and female rates and an interest rate of 7%.

The long saga related to the establishment of new mortality tables for use in the calculation of various retirement benefits was concluded with legislation that became effective on February 10, 2006. It allows retirees who selected Option A or Option B between July 1, 2004 and December 27, 2004 inclusive, or the surviving spouse of such a retiree, to select another option. Retirees who selected Option C during the relevant time period are not eligible to select a new option. The legislation also directs PERAC to establish a new mortality table on or before January 1, 2014, and every 10 years thereafter.

Group Classification Study

The Chairs of the Legislature's Committee on Public Service, Senator Patricia Jehlen and Representative Jay Kaufman, have recently appointed a "Blue Ribbon Panel on the State's Retirement Group Classification System." The charge of that panel is to examine the classification system of the Massachusetts pension plan embodied in Chapter 32 of the General Laws, compare that system to other public and private pensions systems and, if necessary, make recommendations for reform. PERAC serves on the panel which is expected to make a report by June 15, 2006.

Although the importance of the study is evident from the confusion about classification that exists in the mind of the public, policy makers, and even employees, the Commission is mindful of the fact that any changes in structure would need to be consistent with the contractual rights of employees established in Chapter 32.

In the past, the Massachusetts' pension community has allowed events to dictate its role rather than anticipating the need to modernize practices and procedures. One lesson learned from the past is that, in the absence of leadership from within, others with a different perspective on retirement and the appropriate role for retirement boards will drive the debate. Together we can shape change in a manner that is in the best interest of current and future beneficiaries of the retirement systems.

Interim Investigative Report

In October 2005, PERAC issued its *Interim Report—The Middlesex Retirement System & Cambridge Financial Management*. That report reviewed certain aspects of the investment that the Middlesex Retirement Board (MRB) made through Cambridge Financial Management (CFM). In 2003, upon the death of the principal of CFM, it was discovered that the account he managed on behalf of the MRB was confronted with \$37 million in losses. PERAC found that, although CFM had been retained to establish a currency overlay program to protect the MRB portfolio from fluctuations in the value of the dollar, over time CFM engaged in speculation that led to the losses. The *Interim Report* reviewed aspects of the investment and actions of parties involved including the MRB, CFM, Mellon, Goldman Sachs, and Wainwright Investment Counsel.

One element of the PERAC Temporary Order issued in relation to this matter was the requirement that the MRB conduct a fiduciary audit to assess its policies and procedures. On September 8, 2005, Independent Fiduciary Services presented its *Fiduciary Audit*

Report. The audit contains 91 recommendations and makes the following general observations, “(1) the need for governance enhancements (e.g. ensuring that the roles and responsibilities among board members, staff, investment consultant, etc. are clearly understood and articulated) and (2) the need for written documentation of policies, procedures, and current practices.”

Although the audit specifically reviewed the practices of the MRB, it is an instructive document for all retirement board members and contains many helpful recommendations that are worthy of consideration.

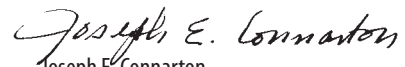
PERAC is continuing with its investigation of this matter and hopes to complete a final report in the near future.

Conclusion

As I noted at the outset, PERAC has been in existence for nearly a decade. During that time, all of those who have served as Commissioners have stressed that the agency’s mission must be founded on the need to

serve the retirement boards so that those boards can serve their members. Educational efforts, regulatory actions, legislative proposals, and all other activities of the Commission have been done with this goal in mind. Fundamental to that approach has been an attempt to be proactive, not reactive. In the past, the Massachusetts’ pension community has allowed events to dictate its role rather than anticipating the need to modernize practices and procedures. One lesson learned from the past is that, in the absence of leadership from within, others with a different perspective on retirement and the appropriate role for retirement boards will drive the debate. Together we can shape change in a manner that is in the best interest of current and future beneficiaries of the retirement systems.

Sincerely,


Joseph E. Connarton
Executive Director

2005 Financial Market & Retirement Board Performance Review

For the US, 2005 was an unusual year that saw both the stock and bond markets basically tread water. The economy grew at a healthy clip and profit growth was impressive, yet, contrary to what would be expected under these conditions, stock prices failed to rise appreciably and bond prices stubbornly refused to fall. As a result, both the stock market and the bond market closed out the year very close to where they started, making it very difficult for pension plans who invest solely in these markets to meet their targeted rates of return.

Equity Markets

For stocks, which typically register either decisively positive or negative performance, a year of flat performance is highly unusual. Considering the Dow Jones Industrial Average, its return of -0.61% was its smallest percentage change since 1926 and its low-to-high range of about 10% was far below average.

Despite record high oil prices, devastating hurricanes, and rising short-term rates, the economy was projected to have grown at a 4.1% rate and earnings growth for the S&P 500 companies was estimated at almost 14%. Nevertheless, even after modestly positive returns for the fourth quarter, the S&P 500 was up only 3.00% (excluding dividends) for the year and the NASDAQ composite was up only 1.37%. One plausible explanation for the market's weak performance is that it is still working off the excesses of the late 1990s. Indeed, at year-end, the S&P 500 was still 18% below its record high reached in March 2000 and the NASDAQ Composite was still 56% off its record. One index that has achieved a new peak is the Russell

2000, reflecting the fact that small caps confounded many experts by outperforming large caps (S&P 500) for the sixth consecutive year, although the 2005 margin was very small. By a decisive margin, mid caps outperformed both small caps and large caps last year. Over the past five years, the annualized total return for the Russell 2000 (+8.22%) and the S&P MidCap 400 (+8.60%) far exceeded that of the S&P 500 (+0.54%). In style comparisons, there was no significant advantage between growth and value in 2005, although—after five years of dominance by value—growth appeared to be gaining the upper hand during the latter part of the year.

As always, even with muted returns overall, it was a stock-pickers market. Among the sectors of the S&P 500, energy was up 29% and utilities rose 13%, while telecom services declined 9% and consumer discretionary fell 7%. Among individual stocks, Apple was up 123% while Google spurted 115%. Reflecting the erosion of America's manufacturing prowess, General Motors and Ford were down 52% and 48%, respectively.

An important corollary of the market's lackluster advance despite strong growth in corporate profits is that price/earnings ratios have declined considerably. At about 18 at year-end, the P/E on the S&P 500 was close to its long-term average range of 15 to 16 and down considerably from the high of 40 reached during the bubble of the late 1990s.

For the third straight year, foreign stocks outperformed their US counterparts as the MSCI-EAFE index rose 13.54% during 2005. Japan was at last

enjoying a sustainable economic recovery, Latin America benefited from rising commodity prices and greater economic stability, Asia reaped the benefits of substantial inflows of foreign capital, and European markets surged as corporate restructuring led to greater than expected profit growth. For the past three years, the annualized return on MSCI-EAFE was 23.7%, compared to 14.4% for the S&P 500. Emerging markets registered another year of extraordinary gains as the MSCI-EM Index rose nearly 34%; this segment has had an annualized return of 37.9% over the past three years.

US investors would have profited even more from their investments in foreign stocks were it not for the surprising strength of the US dollar. Our currency was up about 15% versus both the Euro and the yen as the attractiveness of high interest rates in the US outweighed concerns over our large trade deficit. In local currency terms, the return on the MSCI-EAFE was 29% last year (in comparison to the dollar-adjusted return of 13.54%).

The Bond Market

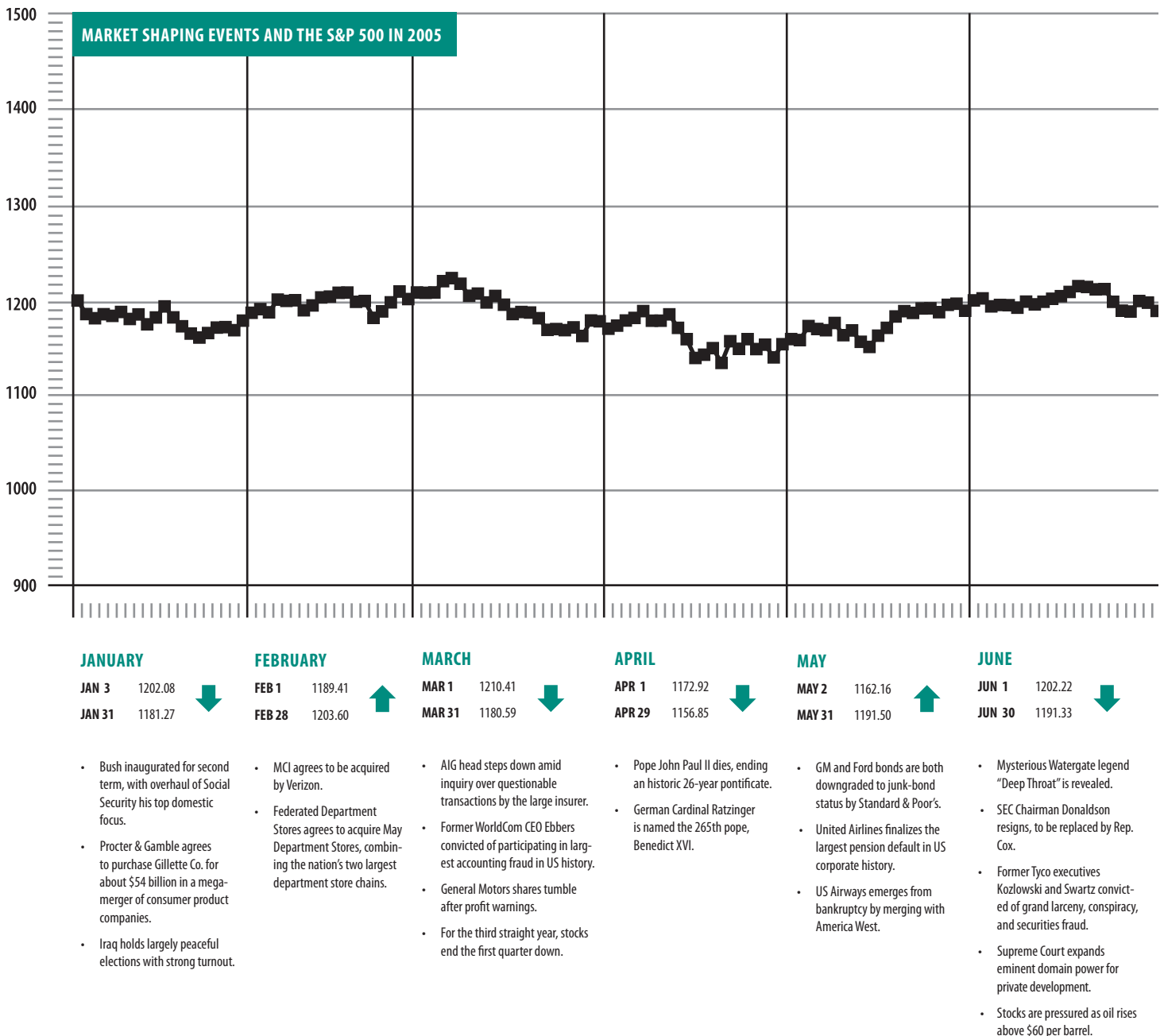
For the second straight year, predictions of higher long-term interest rates in the face of stronger economic growth have proven wrong. The Federal Reserve continued its tightening as the Federal Funds rate was lifted from 2.25% to 4.25%. Nevertheless, in a development that even Chairman Greenspan referred to as a "conundrum" earlier in the year, rates on the benchmark 10-year Treasury note increased only modestly from 4.22% to 4.39%. Despite the fact the bonds of both General Motors and Ford were

downgraded to below investment grade, the yield differential between high yield bonds and Treasuries widened only slightly, remaining well below the historical average. The Lehman Brothers Aggregate Index registered a return of 2.43% for the year while, within the index, performance for corporate and mortgage-backed bonds were generally in line with those of Treasuries. High yield bonds performed slightly better than the investment grade universe last year, but they have provided superior perfor-

mance over the past three years; as measured by the Merrill Lynch US High Yield Index, their annualized return was 13.44% versus 3.62% for the Lehman Aggregate.

At year-end, the bond market faced the unusual situation of an “inverted” yield curve for US Treasuries, where the 2-year interest rate slightly exceeded that of the 10-year. (Usually, long maturities carry higher yields than short maturities.) This phenomenon has

clear negative implications for institutions, notably banks, which profit by borrowing short and lending long, but there was debate over the most frightening possible implication of the inverted curve: that it has historically been the harbinger of a recession. Skeptics minimized the curve’s significance at this time by asserting that long rates were being kept artificially low as a result of continued heavy purchases by foreign central banks.



Other Asset Classes

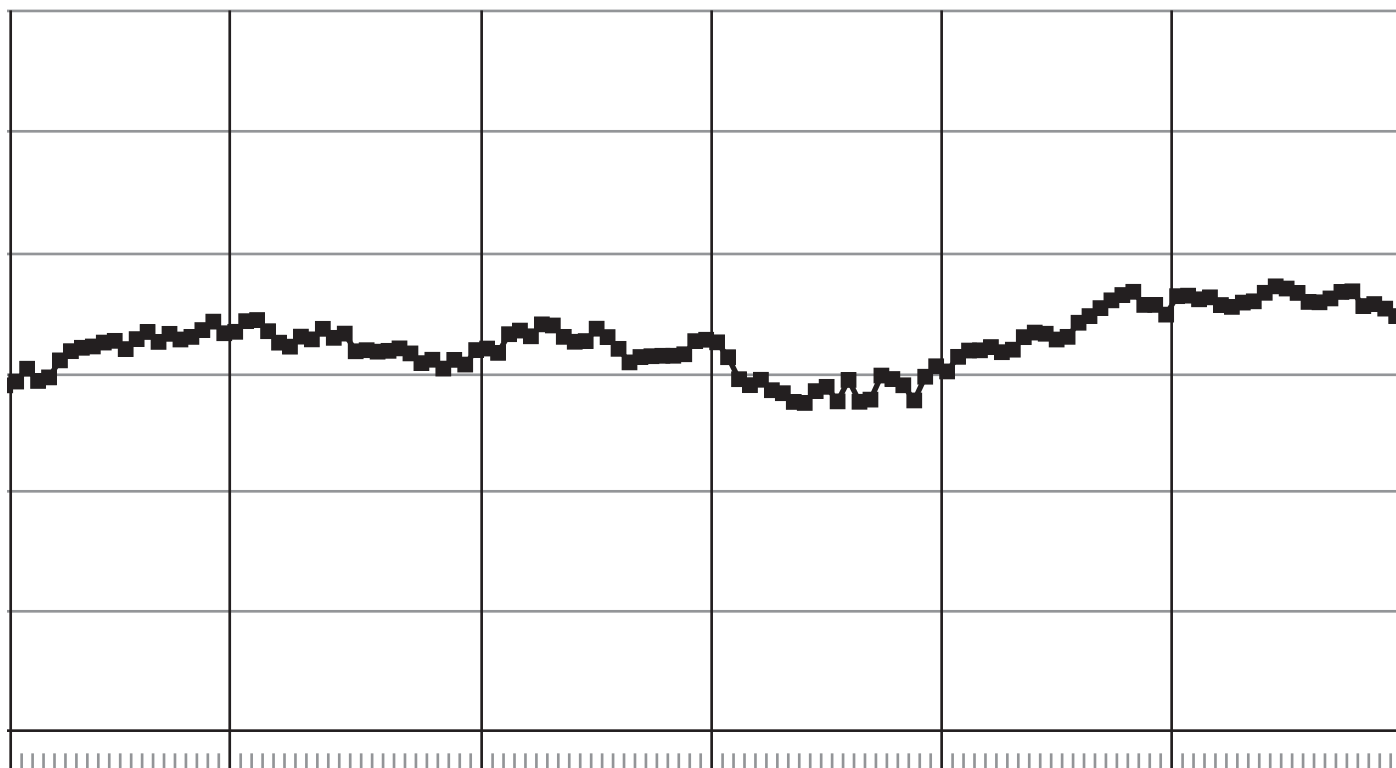
Real estate continued to offer impressive diversification benefits versus US stocks and bonds. While the residential housing market was under selling pressure in most regions, commercial real estate continued to be strong. Although quarterly returns have been on a downward trend after extraordinary gains over the previous two years, publicly-traded Real Estate Investment Trusts still rose 12.16% for the year. Over







the past five years, the annualized return from REITs was 19.08%, compared to 0.54% for the S&P 500. The NCREIF Index of private real estate investments (apartments, industrial, hotels, office, and retail) registered an impressive return of 20.0% for the year.

Performance results for venture capital and private equity are not yet available, but conditions in these crucial sectors were generally healthy as fundraising was proceeding well and valuations of initial invest-

ments were higher. Nevertheless, returns will likely be constrained by the weakness in the market for Initial Public Offerings, where both the number and the size of offerings were down from 2004 in line with the flat results of the public equity markets.

The hedge fund industry saw assets under management exceed \$1 trillion in 2005, up from \$400 billion five years ago. Composite year-end performance was in the range of 6-9%, higher than that of either US



JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
JUL 1 1194.44  JUL 29 1234.18	AUG 1 1235.35  AUG 31 1220.33	SEP 1 1221.59  SEP 30 1228.81	OCT 3 1226.70  OCT 31 1207.01	NOV 1 1202.76  NOV 30 1249.48	DEC 1 1264.67  DEC 30 1248.29
<ul style="list-style-type: none"> Terrorists attack London subways. John Roberts nominated to replace retiring Supreme Court Justice Sandra Day O'Connor. He was later nominated to succeed the late Chief Justice Rehnquist. Responding to pressure, China modestly revalues its currency. 	<ul style="list-style-type: none"> The Federal Funds rate reaches 3.5% as the Federal Reserve raises rates for the tenth consecutive time. Hurricane Katrina devastates the Gulf Coast, causing a staggering economic impact and political recriminations. 	<ul style="list-style-type: none"> Delta and Northwest Airlines file for Chapter 11 bankruptcy. While less severe than Katrina, Hurricane Rita wallops the Gulf Coast. Despite the major hurricanes' effects on income growth and energy prices, stocks rose modestly in the third quarter. 	<ul style="list-style-type: none"> Reco Inc files for bankruptcy after the futures brokerage firm's CEO is charged with securities fraud. Wilma hits Florida, becoming the third costliest hurricane in US history. Iraq's new charter is approved, but US battle deaths exceed 2,000. GM slashes health-care coverage for unionized retirees as losses mount. Despite the hurricanes, third quarter GDP growth reported as a healthy 3.8%, marking the 16th consecutive quarter of growth. Bush's nomination of economist Ben Bernanke to succeed Greenspan as Fed Chairman is well received by the markets. Vice President's chief of staff indicted in the CIA-leak probe. 	<ul style="list-style-type: none"> Samuel Alito nominated for Supreme Court. Democrats do well in off-year elections. GM shares fall to a 13-year low after re-statement of prior reported earnings. The company announces job cuts of 30,000 and closing of nine North American plants. Fears of bird flu rise in Asia. Google stock surges above \$400 as the search engine's capitalization exceeds that of Cisco, Coca Cola, and Time Warner. 	<ul style="list-style-type: none"> Japan's Nikkei stock average surged to a five-year high. Gold rose to \$514 an ounce, its highest close since April 1981. Raising questions about the company's ability to recover, S&P lowered GM's credit rating another two notches. The Fed's latest move left the Federal funds rate at 4.25%, the highest level in 4 1/2 years. Voter turnout is heavy as Iraqis choose a new government. President defends against domestic spying revelations. GM shares fall below \$20, marking a 23-year low. Stocks sagged during December, but still registered moderate advances for the fourth quarter.

stocks or bonds but, nevertheless, somewhat disappointing to investors paying high fees for these products. As a result, there were indications of slowing growth during the latter part of the year. Among the many distinct strategies that comprise hedge funds, short-selling, emerging markets, and distressed debt posted low double digit returns while convertible arbitrage posted a loss. It is generally agreed that the lack of volatility in the markets has diminished the existence of market aberrations and inefficiencies that hedge fund managers seek to profit from and that the huge inflow of money into hedge funds has further reduced the opportunities for profitable trading. There were some high profile hedge fund frauds and failures during 2005—most notably Bayou Management—and the industry awaited with uncertainty the official beginning of SEC regulation.

This year's markets have once again vividly demonstrated the vital importance of diversified asset allocation. It is increasingly apparent that it is not sufficient to invest solely in large cap US equities and in high-grade US bonds but a well-balanced investment program should also have allocations to small and mid-cap stocks and to higher-yielding bond sectors, and it should also invest internationally. Just as important, investors should consider the diversifying benefits of alternative asset classes such as real estate. Of course, it is equally vital to have consistently strong managers in all asset classes.

With a new Fed Chairman for the first time in almost 19 years and lingering uncertainties over energy prices, inflation, and economic growth, the investment outlook will continue to be challenging since no asset class appears particularly attractive or under-valued at this time. Trustees must continue to be very pro-active in positioning and monitoring their portfolios. At PERAC, we are committed to working closely with the Commonwealth's public retirement systems to help them meet their goals.

2005 Performance Review & Analysis

As of December 31, 2005, the composite asset allocation for the 78 local systems that invested predominantly on their own was: 46.3% Domestic Equity, 14.9% International Equity, 26.5% Fixed Income (including high yield, TIPS, and international), 6.2% Real Estate, 0.3% Timber, 2.1% Alternative Investments, 1.5% Hedge Funds, 0.8% Other (PRIT Core or other balanced accounts), and 1.4% Cash. Assets in these systems totaled \$15.1 billion. The composite allocation of these systems is in line with reported average asset allocations from national surveys of state and local pension plans. Never-

theless, there is a wide divergence of asset allocations around the composites by the local Massachusetts systems. Furthermore, although all but 5 of these 78 systems had some exposure to international equity, 15 systems had no exposure to real estate, including 5 systems with assets in excess of \$100 million. Only 33 systems had any meaningful exposure to alternative investments and only 8 of these had allocations of 3% or more.

Twenty-six local systems with assets totaling almost \$1.8 billion invested entirely (or, in two cases, predominantly) with the PRIT Fund as of year-end. The asset allocation of that \$40.2 billion fund as of December 31, 2005, was 28.1% Domestic Equity, 16.1% International Equity, 6.6% Emerging Markets Equity, 23.7% Fixed Income (including TIPS and High Yield), 10.6% Real Estate (with leverage, 11.7%); 3.8% Timber, 6.1% Alternative Investments, and 5.0% Hedge Funds. In its below average allocation to domestic equities and above average exposure to non-traditional asset classes, PRIT's asset allocation is somewhat atypical of public pension funds nationwide. In addition to the 26 systems that invested essentially all their assets in the PRIT Core Fund, 7 systems had partial investments in the PRIT Core Fund and 39 systems participated in one or more of the PRIT's Fund's segmentation options.

Performance for 2005 for the 106 systems ranged from 3.73% to 12.95% and the composite return of all the systems was 11.41%. For the 78 local systems that invested on their own for the full year, the median return was 7.46%. The median return for all 106 systems was 8.42%.

The median return for the 23 local systems that invested totally (or predominantly) with PRIT for the full year approximated that of the Fund itself, which was 12.7%. Internal cash positions or cash flows, or returns from remaining non-PRIT investments, may have enhanced or subtracted from the returns of individual systems relative to PRIT's basic return. In recent years, a fundamental fact of institutional investing involving endowment funds, foundations, or pension funds, is that larger entities have performed better than smaller ones. Accordingly, the PRIT Fund's size has enabled it to invest in a wider range of asset classes than many of the local systems, and its clout has enabled it to gain access to the top tier of managers in these nontraditional asset classes. Thus, the Fund's performance in 2005 was enhanced by its holdings in Alternative Investments, up 40.4%; Emerging Markets Equity, up 39.5%; Timber, up 26.5%; and Real Estate, up 23.0%.

The returns for Massachusetts' public pension systems can be compared to the median return of the public fund universes of the following national databases:

New England Pension Consultants public funds median, 6.94%; Mercer public funds universe median, 8.30%; T.U.C.S., 7.55%; and Wilshire public funds universe, 6.45%.

As always, the major determinants of performance among the non-PRIT systems were asset allocation and the relative performance of investment managers. Demonstrating that it is difficult to generalize that large systems necessarily do better than smaller ones, seven of the ten best performing local systems had less than \$100 million in assets. In fact, five of these systems invest all their assets with one manager and have little exposure to nontraditional asset classes. What they did have last year, in addition to good overall exposure to equities, was superlative equity performance. Compared to the S&P 500's total return of 4.9% in 2005, some of these systems enjoyed domestic equity performance in excess of 15% as their manager had a year of superb individual stock selection (such as having overweight positions in Apple Computer, which rose 123% last year). In addition to healthy exposure to and strong relative performance from domestic equities, which typically involved having meaningful holdings of small and mid-cap stocks, other systems benefited from having above-average allocations to international equity and/or real estate and strong relative performance in these areas.

Seven of the ten lowest performing systems also had assets less than \$100 million. Among the lagging systems, the one with the lowest return was a very small system whose conservative (51% fixed income) asset allocation reflects its fully funded status. Other systems in this group had healthy exposure to equities but poor performance from their managers which was not offset by good returns from any alternative asset classes. Some had insufficient exposure to small and mid-caps; others just bad stock selection. One of the larger of the lagging systems, besides having no exposure to real estate, had an inexplicable negative return from its small cap manager. For the largest of the trailing systems, mediocre equity performance was aggravated by a decidedly negative return from its venture capital managers, an unfortunate phenomenon suffered by several other systems last year.

While it is difficult to predict which asset classes will do the best in any particular year, the returns for 2005 showed that a well-diversified asset allocation can not only dampen portfolio volatility over time but also improve returns in particular periods. The results also demonstrated that it is equally crucial to have investment managers who successfully fulfill—and sometimes exceed—their mandates. As always, asset allocation goes hand in hand with the diligent selection and careful monitoring of investment managers.



Massachusetts Contributory Retirement Board Profiles

Introduction

The Board Profile section of the *PERAC Annual Report* represents the only comprehensive compilation of data relative to our retirement systems that is available. This database can be used to assess the funding condition of the system, membership information, investment return history, asset growth, disability experience, and audit results. In addition, the names of the board members and administrators are listed, as well as the board meeting schedule, and pertinent information about how to contact the board.

As always, actuarial information details the fiscal condition of the systems, which can play a direct role on state and local budgets. We are sharing the unfunded actuarial liability from the most recent valuation, the FY06 appropriation amount, and funded ratio history from 1987.

In assessing investment performance, PERAC relies on the retirement boards to submit accurate and complete information about investment activity. Unfortunately, that is not always the case. In some instances, we have made the appropriate adjustments to returns. PERAC numbers might differ from those provided to the board by its consultant because PERAC measures all assets, including monies not committed to investment management. In addition, PERAC includes fourth quarter results from real estate and venture capital partnerships that are often not available to consultants until the close of the first quarter of the next year.

This year, we are presenting asset allocation as well as actuarial and investment information in graph form. Data is primarily based on information provided by investment consultants. For the first time, actuarial demographic information is included such as total payroll/benefit, average salary/benefit, and average age and service data.

In addition to the information detailed in the Profiles, PERAC, as always, has been busy assisting the boards in other areas. In 2005, 909 medical panel requests were processed and 958 comprehensive medical evaluations were conducted. This led to the approval of 768 disability applications and 98 accidental death claims. Eighty-one medical re-examinations of disability retirees took place and 5 members were restored to service.

PERAC is responsible for the post-retirement monitoring of disabled retirees. One aspect of that task is enforcing the earnings limits set forth in Chapter 32. In 2005, PERAC analyzed 15,193 earnings reports: 3,526 retirees reported earnings and 179 earned in excess of the statutory limits. An additional 43 retirees failed to comply with the reporting requirement. This resulted in the recovery of \$1,621,024 in excess earnings and \$659,117 for non-compliance. Five members returned to work, saving an additional \$81,356, and 20 waived their allowance saving \$242,907.

In 2005, PERAC conducted 39 audits of retirement systems and issued 31 audit reports. In addition, 17 follow-up audits were conducted resulting in the issuance of 11 reports. The major audit issue addressed in 2005 was the definition of regular compensation. In general, boards have made a concentrated effort to clear up audit findings and this has been reflected in the follow-up reports, as well as the regularly scheduled audits. As always, PERAC audit staff conducted annual seminars on the preparation of the Annual Statement with special emphasis on common audit issues, particularly the treatment of investment income, and realized and unrealized losses.

During 2005, PERAC continued its commitment to communicating with the public pension community, policy-makers, and the taxpayers. The Commission sponsored its second annual Emerging Issues Forum covering Health Care: Implications for Public Plans. Over 200 people attended that Forum and heard presentations focusing on recent changes in accounting rules that require public entities to recognize post-retirement benefits, as well as workplace health issues. For the first time, PERAC publications were disseminated on CDs enabling easier access to educational materials. Regular publications included the *PERAC Quarterly Financial Bulletin*, *PERAC Pension NewsFlashes*, the *PERAC Pension News*, and the *PERAC*

Publications Catalog. Finally, the PERAC Web Page was redesigned in an effort to enhance ease of use.

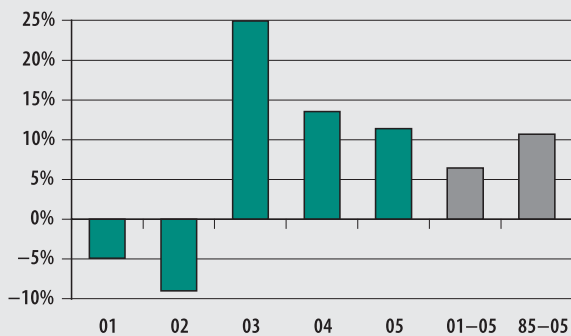
In the actuarial area, PERAC approved 39 new funding schedules and completed 19 actuarial valuations in 2005. The valuations complemented the 30 valuations performed by private actuaries. The actuarial unit also conducted an analysis of the COLA, met with 21 retirement boards and staff, made presentations at several forums, and completed the annual actuarial valuation of the Commonwealth's pension liability. Throughout the year, PERAC responded to legislative and gubernatorial requests for analysis of legislation.

Composite Investment Profile

Commonwealth of Massachusetts

Public Employee Retirement Systems and Pension Reserves Investment Trust

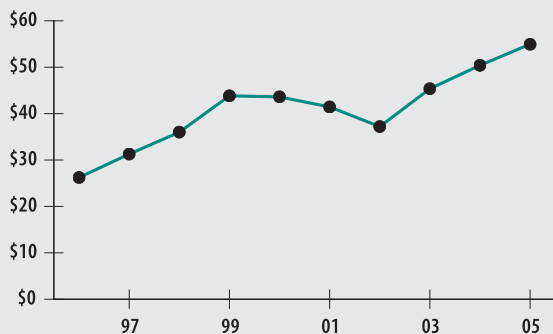
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



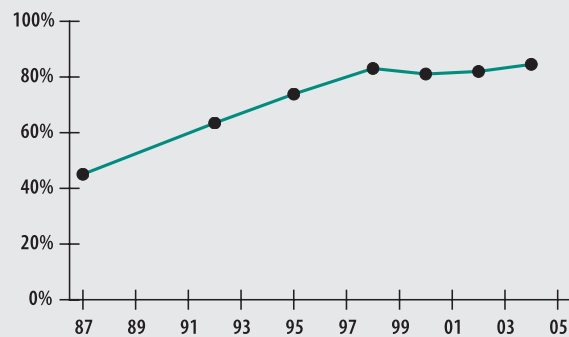
► INVESTMENT

► 2005 Return	11.41%
► 2005 Market Value	\$54.9 B
► 2001-2005 (Annualized)	6.46%
► 1985-2005 (Annualized)	10.71%

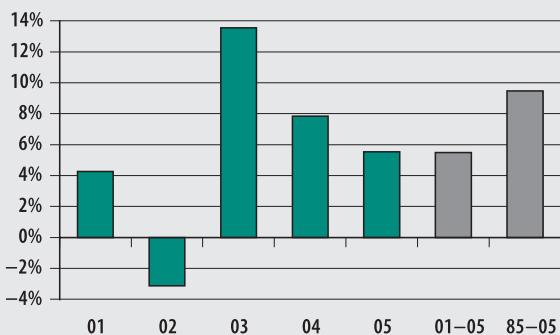
► Asset Growth (1996-2005) (Market Value in Billions)



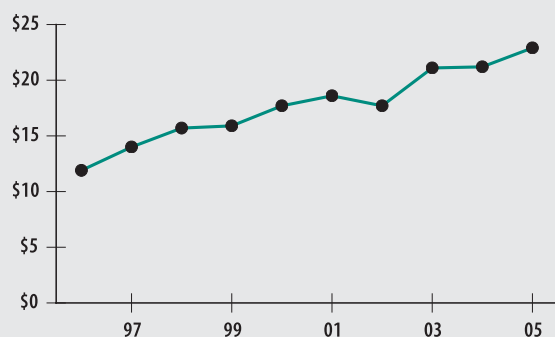
► **Funded Ratio (1987-2005)**



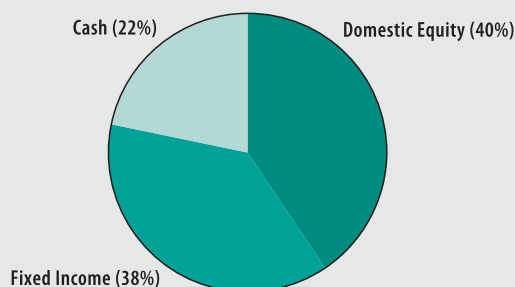
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	84.6%
• Date of Last Valuation	01/04
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	Level
• Year Fully Funded	2013
• Unfunded Liability	\$3.7 M
• Total Pension Appropriation (Fiscal 2006)	\$1.0 M

	Active	Retired
• Number of Members	210	145
• Total Payroll/Benefit	\$5.2 M	\$1.3 M
• Average Salary/Benefit	\$25,000	\$9,200
• Average Age	46	73
• Average Service	9.7 years	NA

► **INVESTMENT**

Domestic Equity

- Boston Private Investors

Domestic Fixed Income

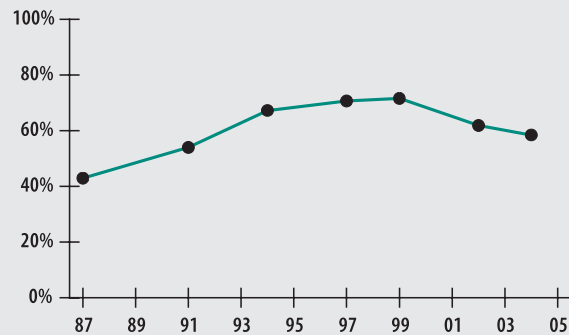
- Boston Private Investors

Custodian

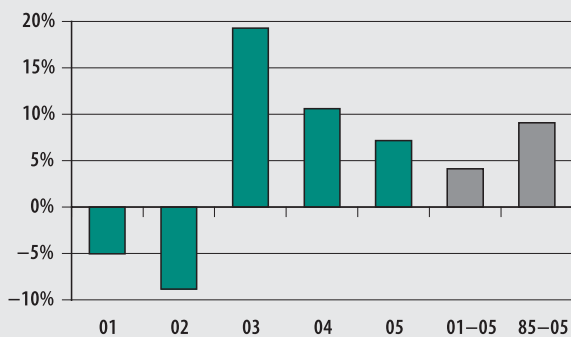
- Investors Bank & Trust

► 2005 Return	5.55%
► 2005 Target	8.50%
► 2005 Market Value	\$22.9 M
► 2001-2005 (Annualized)	5.48%
► 1985-2005 (Annualized)	9.47%

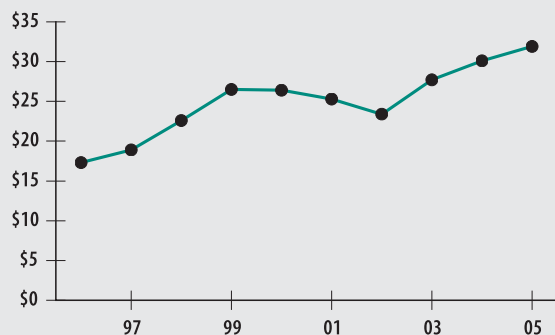
► Funded Ratio (1987-2005)



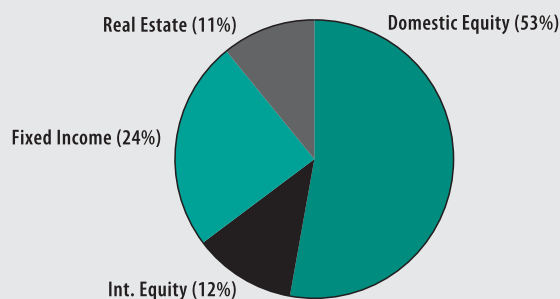
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	58.5%
• Date of Last Valuation	01/04
• Actuary	Hancock
• Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2025
• Unfunded Liability	\$19.7 M
• Total Pension Appropriation (Fiscal 2006)	\$2.0 M

	Active	Retired
• Number of Members	307	230
• Total Payroll/Benefit	\$10.6 M	\$3.0 M
• Average Salary/Benefit	\$34,500	\$13,100
• Average Age	44	71
• Average Service	9.6 years	NA

► INVESTMENT

Domestic Equity

- CRM Institutional Mid Cap Value Mutual Fund
- Old Mutual Copper Rock Emerging Growth Fund
- RhumbLine S&P 500 Pooled Index Fund

International Equity

- Boston Company International Core Equity Fund

Domestic Fixed Income

- SSgA Passive Bond Market Index SL Fund

Real Estate

- UBS Real Estate Separate Account (RESA)

Alternative Investments

- PRIT

Consultant

- Segal Advisors

► 2005 Return	7.18%
► 2005 Target	8.25%
► 2005 Market Value	\$31.9 M
► 2001-2005 (Annualized)	4.13%
► 1985-2005 (Annualized)	9.10%

Andover

Town Offices
36 Bartlet Street
Andover, MA 01810
Phone 978-623-8209
Fax 978-623-8208

Board Members

James A. Cuticchia (Chairperson),
Frank G. Castle, John C. Doherty,
Elena M. Kothman, Rodney P. Smith

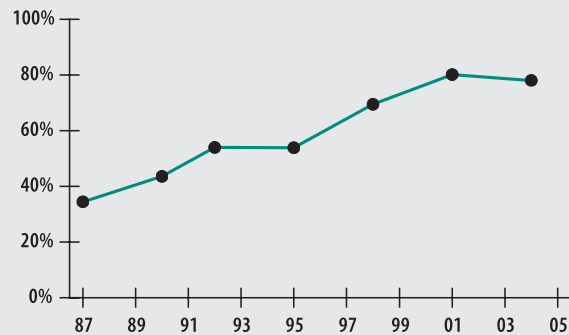
Board Administrator

Elena M. Kothman

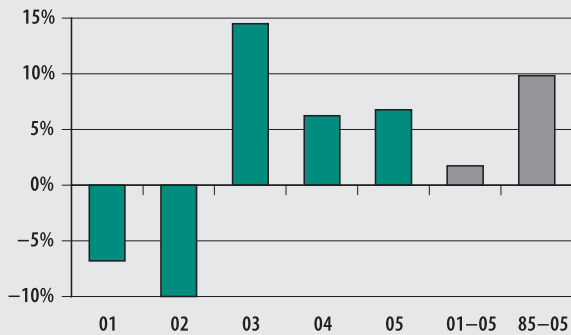
Board Meeting

Last week of each month, day and date vary

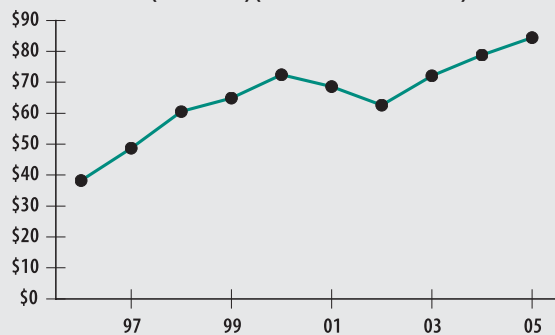
► Funded Ratio (1987-2005)



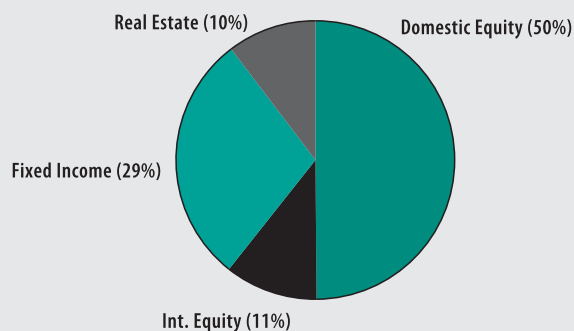
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	78.1%
• Date of Last Valuation	01/04
• Actuary	Segal
• Assumed Rate of Return	8.50%
• Funding Schedule	3.0% Increasing
• Year Fully Funded	2024
• Unfunded Liability	\$22.8 M
• Total Pension Appropriation (Fiscal 2006)	\$4.0 M

	Active	Retired
• Number of Members	720	334
• Total Payroll/Benefit	\$29.8 M	\$5.0 M
• Average Salary/Benefit	\$41,400	\$15,000
• Average Age	46	NA
• Average Service	9.3 years	NA

► INVESTMENT

Domestic Equity

- American Century Small Company Fund
- SSgA Index Plus Securities Lending Fund

International Equity

- Boston Company International Core Equity Fund

Domestic Fixed Income

- Hartford Institutional Trust Core Fixed Income Series

Real Estate

- PRIT

Consultant

- Segal Advisors

Custodian

- State Street

► 2005 Return	6.79%
► 2005 Target	8.50%
► 2005 Market Value	\$84.4 M
► 2001-2005 (Annualized)	1.74%
► 1985-2005 (Annualized)	9.86%

Board Members

John J. Bilafer (Chairperson),
Richard Keshian, Ruth Lewis, Emelio Rosselli,
Ken Steele

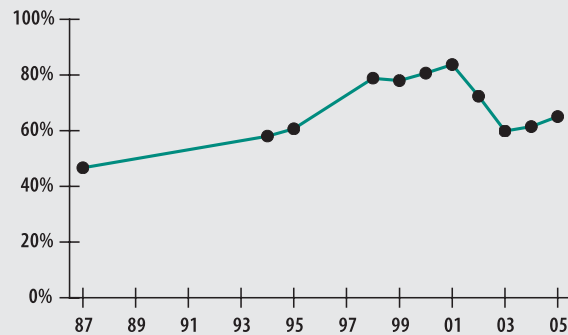
Board Meeting

Richard Greco

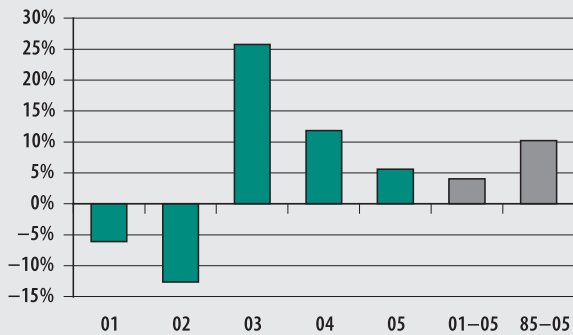
Board Administrator

Last Thursday of the month at 4:30 pm

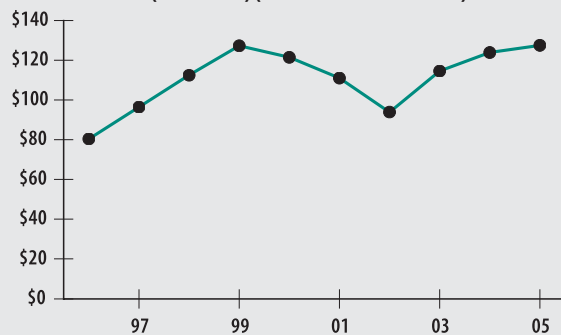
► **Funded Ratio (1987-2005)**



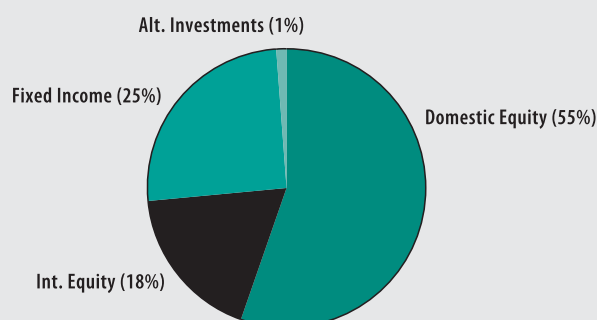
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	65.1%
• Date of Last Valuation	01/05
• Actuary	Stone
• Assumed Rate of Return	7.75%
• Funding Schedule	3.65% Increasing
• Year Fully Funded	2021
• Unfunded Liability	\$60.5 M
• Total Pension Appropriation (Fiscal 2006)	\$6.8 M

	Active	Retired
• Number of Members	674	621
• Total Payroll/Benefit	\$25.3 M	\$11.5 M
• Average Salary/Benefit	\$37,500	\$18,500
• Average Age	48	NA
• Average Service	11.6 years	NA

► **INVESTMENT**

Domestic Equity

- Lotsoff Capital Management
- SSgA S&P 500 Flagship Fund

International Equity

- Boston Company International Core Equity Fund

Domestic Fixed Income

- Columbia Management Group, Inc.

Alternative Investments

- Wilshire Private Markets Fund IV

Consultant

- Wilshire Associates

Custodian

- State Street

► 2005 Return	5.60%
► 2005 Target	7.59%
► 2005 Market Value	\$127.5 M
► 2001-2005 (Annualized)	4.03%
► 1985-2005 (Annualized)	10.21%

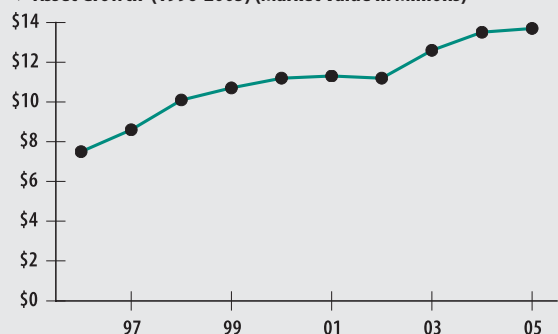
► **Funded Ratio (1987-2005)**



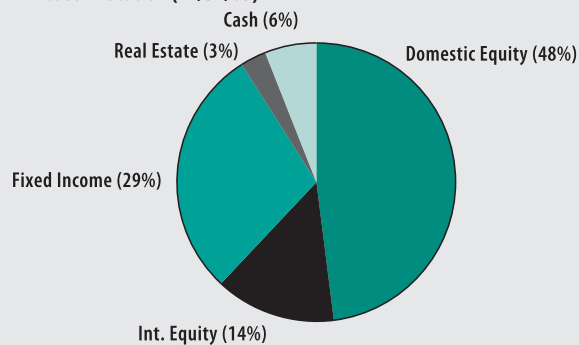
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	49.4%
• Date of Last Valuation	01/05
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$14.2 M
• Total Pension Appropriation (Fiscal 2006)	\$1.6 M

	Active	Retired
• Number of Members	234	141
• Total Payroll/Benefit	\$6.0 M	\$1.5 M
• Average Salary/Benefit	\$25,700	\$10,500
• Average Age	46	72
• Average Service	9.3 years	NA

► **INVESTMENT**

Total Portfolio

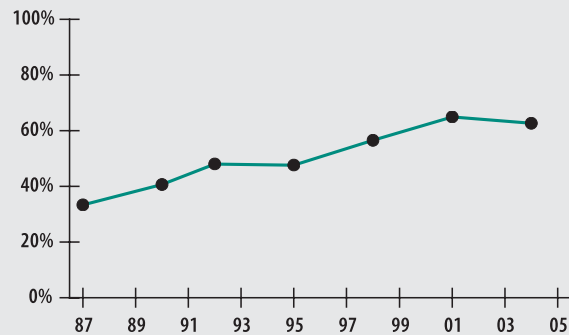
- de Burlo Group

Custodian

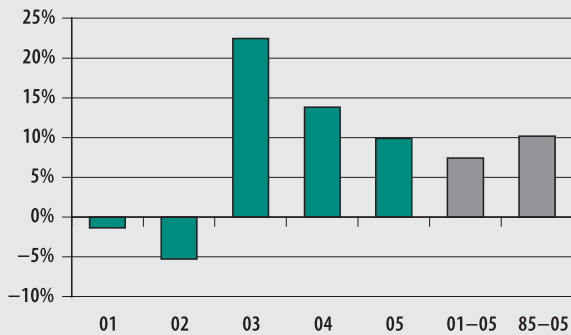
- Investors Bank & Trust

► 2005 Return	8.60%
► 2005 Target	8.00%
► 2005 Market Value	\$13.7 M
► 2001-2005 (Annualized)	3.54%
► 1985-2005 (Annualized)	8.23%

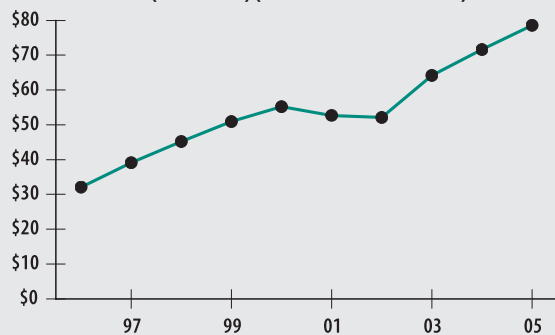
► **Funded Ratio (1987-2005)**



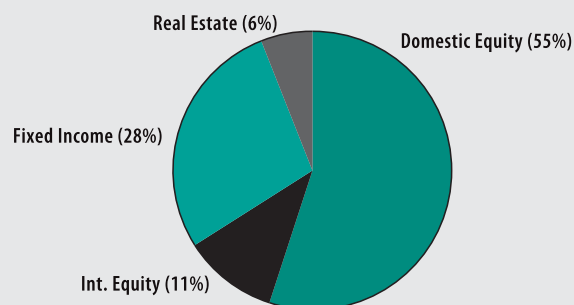
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	62.7%
• Date of Last Valuation	01/04
• Actuary	Hancock
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2026
• Unfunded Liability	\$39.3 M
• Total Pension Appropriation (Fiscal 2006)	\$4.5 M

	Active	Retired
• Number of Members	604	380
• Total Payroll/Benefit	\$20.7 M	\$6.0 M
• Average Salary/Benefit	\$34,300	\$15,900
• Average Age	45	72
• Average Service	10.2 years	NA

► **INVESTMENT**

Domestic Equity

- Boston Advisors, Inc.
- Daruma Asset Management, Inc.
- RhumbLine S&P 500 Pooled Index Fund

International Equity

- INVESCO IRT International Equity Fund
- SSgA International Growth Opportunities Fund

Domestic Fixed Income

- Vanderbilt Capital Advisors

Real Estate

- INVESCO Core Real Estate Fund
- INVESCO IRT Equity Real Estate Securities Fund

Consultant

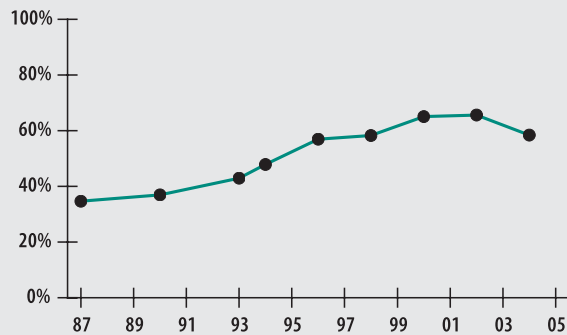
- Segal Advisors

Custodian

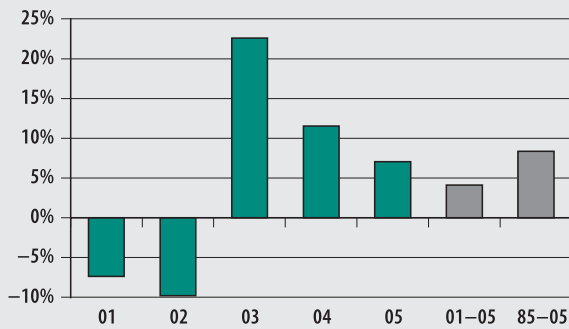
- Investors Bank & Trust

► 2005 Return	9.91%
► 2005 Target	8.25%
► 2005 Market Value	\$78.6 M
► 2001-2005 (Annualized)	7.45%
► 1985-2005 (Annualized)	10.17%

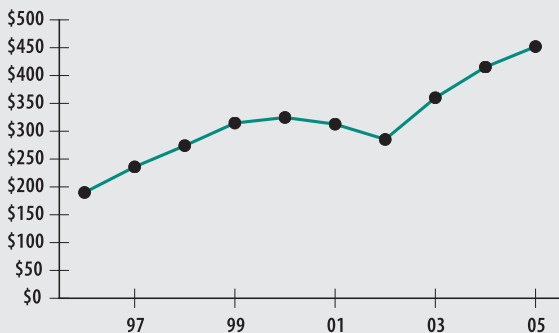
► **Funded Ratio (1987-2005)**



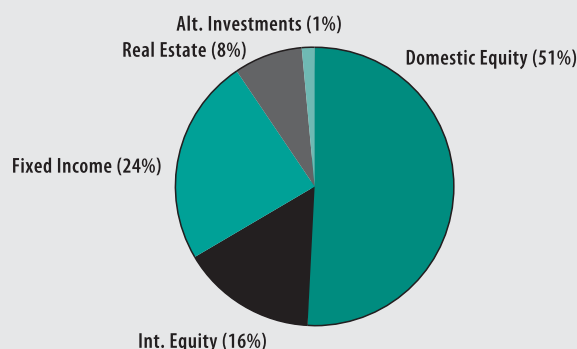
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	58.4%
• Date of Last Valuation	01/04
• Actuary	Segal
• Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$269.3 M
• Total Pension Appropriation (Fiscal 2006)	\$30.2 M

	Active	Retired
• Number of Members	5,031	2,125
• Total Payroll/Benefit	\$190.6 M	\$29.8 M
• Average Salary/Benefit	\$37,900	\$14,000
• Average Age	46	NA
• Average Service	8.7 years	NA

► **INVESTMENT**

Domestic Equity

- Boston Trust & Investment Management Company
- PRIT
- Wellington Trust Co-CIF Small Cap 2000 Fund

International Equity

- Fidelity International Growth Commingled Pool
- LSV International Value Equity Fund

Domestic Fixed Income

- Wellington Trust Co-CIF II Core Bond Plus Portfolio

Real Estate

- Allegis Value Trust (AVT) Fund
- Intercontinental Real Estate Investment Fund IV, LLC
- UBS Real Estate Separate Account (RESA)

Alternative Investments

- PRIT

Consultant

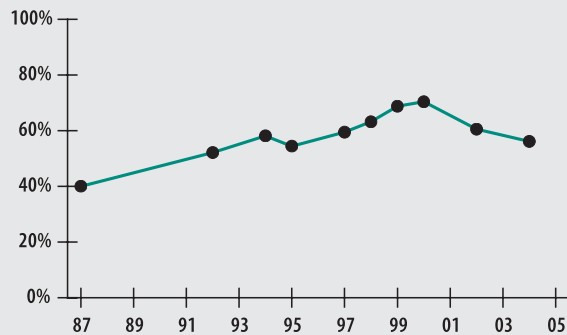
- Segal Advisors

Custodian

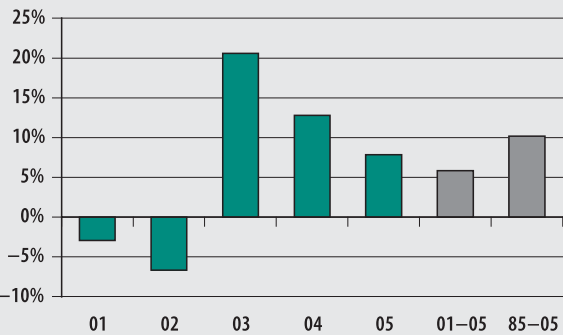
- State Street

► 2005 Return	7.04%
► 2005 Target	8.75%
► 2005 Market Value	\$451.9 M
► 2001-2005 (Annualized)	4.12%
► 1985-2005 (Annualized)	8.35%

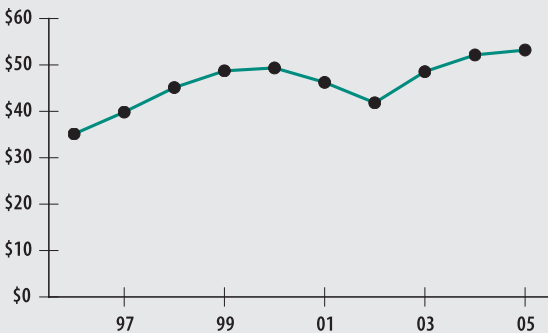
Funded Ratio (1987-2005)



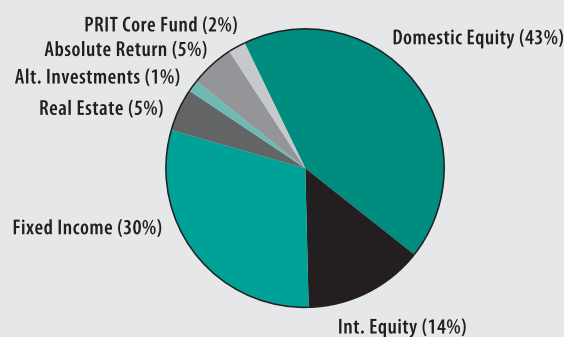
Investment Return (2001-2005, 5 Year and 21 Year Averages)



Asset Growth (1996-2005) (Market Value in Millions)



Asset Allocation (12/31/05)



ACTUARIAL

• Funded Ratio	56.2%
• Date of Last Valuation	01/04
• Actuary	Mellon
• Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2025
• Unfunded Liability	\$41.6 M
• Total Pension Appropriation (Fiscal 2006)	\$4.0 M

	Active	Retired
• Number of Members	421	345
• Total Payroll/Benefit	\$16.1 M	\$6.6 M
• Average Salary/Benefit	\$38,200	\$19,100
• Average Age	47	NA
• Average Service	9.7 years	NA

INVESTMENT

Domestic Equity

- Atlanta Capital Management Company, LLC
- Wellington Trust Co-CIF Large Cap Research Value Fund

International Equity

- Julius Baer International Equity Strategy Fund

Domestic Fixed Income

- Frontegra Total Return Bond Fund

International Fixed Income

- Delaware Pooled Trust Global Fixed Income Portfolio

Real Estate

- PRIT

Alternative Investments

- PRIT

Core Fund

- PRIT

Absolute Return

- PRIT

Consultant

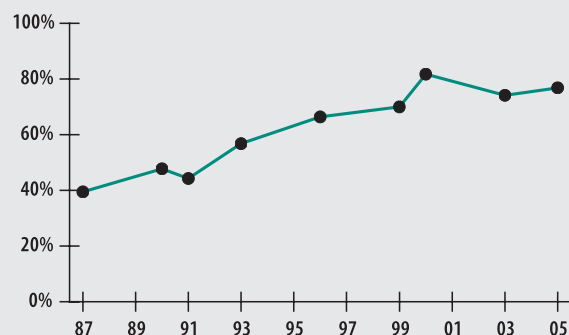
- New England Pension Consultants

Custodian

- State Street

► 2005 Return	7.84%
► 2005 Target	8.30%
► 2005 Market Value	\$53.2 M
► 2001-2005 (Annualized)	5.85%
► 1985-2005 (Annualized)	10.20%

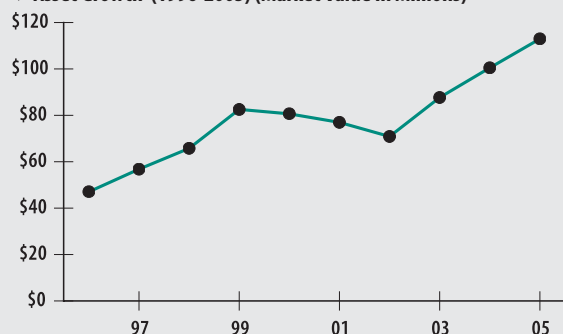
► **Funded Ratio (1987-2005)**



► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation**

See page 121 for PRIT asset allocation chart.

► **ACTUARIAL**

• Funded Ratio	76.8%
• Date of Last Valuation	01/05
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2018
• Unfunded Liability	\$29.0 M
• Total Pension Appropriation (Fiscal 2006)	\$5.3 M

	Active	Retired
• Number of Members	1,208	628
• Total Payroll/Benefit	\$30.9 M	\$6.3 M
• Average Salary/Benefit	\$25,600	\$10,000
• Average Age	47	73
• Average Service	9.5 years	NA

► **INVESTMENT**

- PRIT

► 2005 Return	12.60%
► 2005 Target	8.30%
► 2005 Market Value	\$113.0 M
► 2001-2005 (Annualized)	6.97%
► 1985-2005 (Annualized)	10.43%

Beverly

City Hall
191 Cabot Street
Beverly, MA 01915
Phone 978-921-6000
Fax 978-921-8582

Board Members

John F. Lane, Jr. (Chairperson),
Crystal Atherton, Carol I. Augulewicz,
Clark Mitchell, Raymond J. Stecker, Jr.

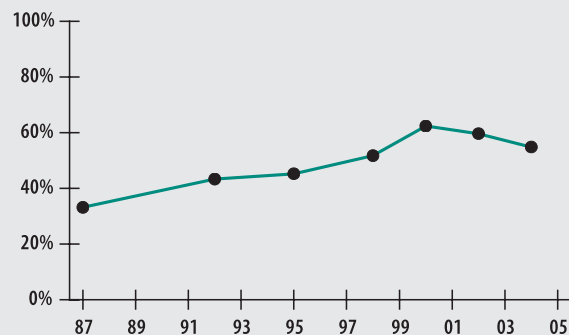
Board Administrator

Ann M. Fournier

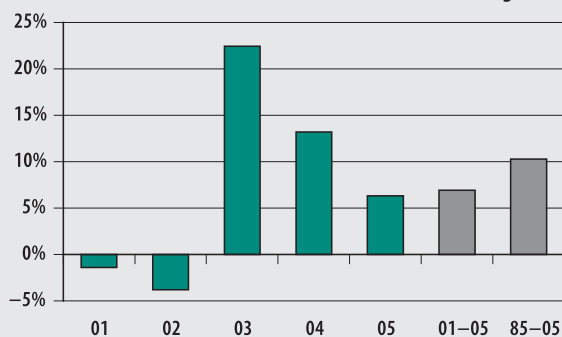
Board Meeting

Last Thursday of each month

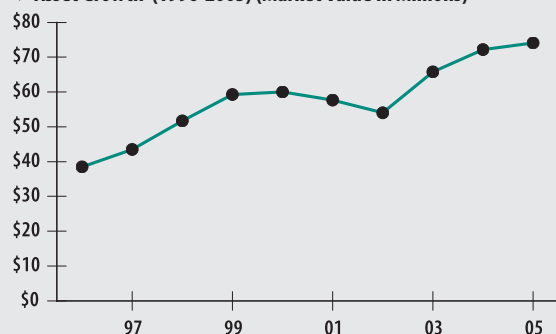
► Funded Ratio (1987-2005)



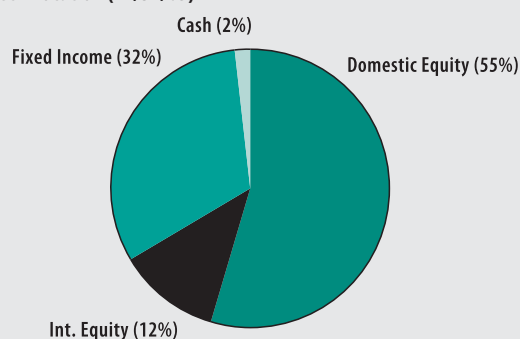
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	54.9%
• Date of Last Valuation	01/04
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$55.0 M
• Total Pension Appropriation (Fiscal 2006)	\$6.2 M

	Active	Retired
• Number of Members	569	444
• Total Payroll/Benefit	\$19.7 M	\$8.0 M
• Average Salary/Benefit	\$34,700	\$18,000
• Average Age	48	71
• Average Service	10.0 years	NA

► INVESTMENT

Domestic Equity

- J.L. Kaplan Associates
- Loomis, Sayles & Company, L.P.

International Equity

- Fidelity International Growth Commingled Pool

Domestic Fixed Income

- Income Research & Management

International Fixed Income

- Delaware Pooled Trust Global Fixed Income Portfolio

Balanced Fund

- PanAgora TAA Equity Fund

Consultant

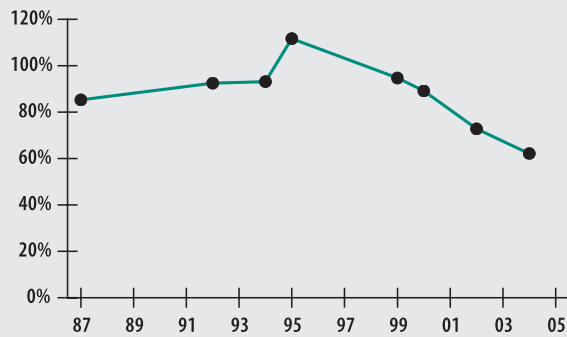
- New England Pension Consultants

Custodian

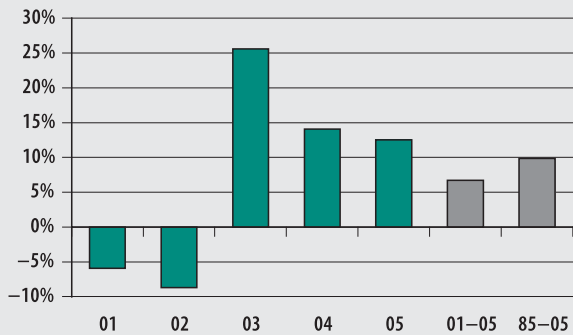
- State Street

► 2005 Return	6.33%
► 2005 Target	8.53%
► 2005 Market Value	\$74.1 M
► 2001-2005 (Annualized)	6.92%
► 1985-2005 (Annualized)	10.28%

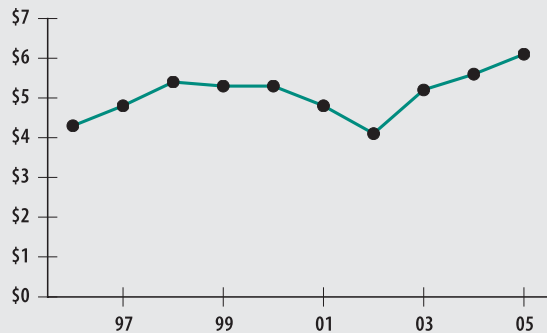
► **Funded Ratio (1987-2005)**



► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation**

See page 121 for PRIT asset allocation chart.

► **ACTUARIAL**

• Funded Ratio	62.2%
• Date of Last Valuation	01/04
• Actuary	PERAC
• Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$3.2 M
• Total Pension Appropriation (Fiscal 2006)	\$314,200

	Active	Retired
• Number of Members	43	48
• Total Payroll/Benefit	\$1.5 M	\$0.5 M
• Average Salary/Benefit	\$35,700	\$11,400
• Average Age	50	74
• Average Service	12.1 years	NA

► **INVESTMENT**

- PRIT

► 2005 Return	12.54%
► 2005 Target	8.30%
► 2005 Market Value	\$6.1 M
► 2001-2005 (Annualized)	6.74%
► 1985-2005 (Annualized)	9.88%

Boston

City Hall
Room 816
Boston, MA 02201
Phone 617-635-4305
Fax 617-635-4318

Board Members

Lawrence R. Curran (Chairperson),
Sally D. Glora, John Perkins, Edward Welch

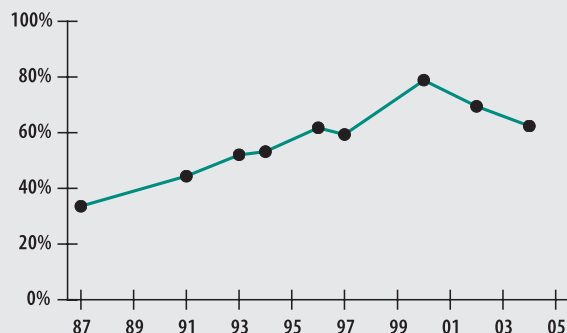
Board Administrator

Robert E. Tierney

Board Meeting

Varies

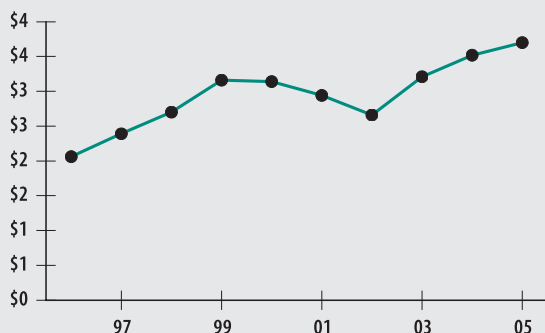
► Funded Ratio (1987-2005)



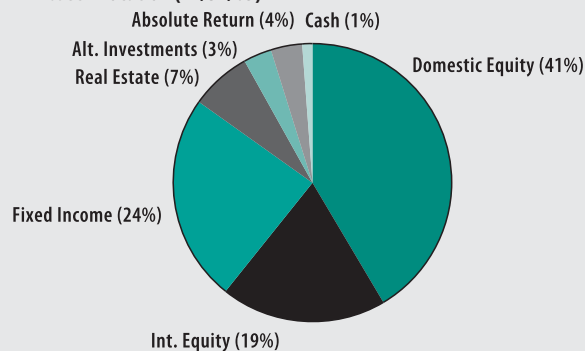
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Billions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	62.4%
• Date of Last Valuation	01/04
• Actuary	Segal
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2023
• Unfunded Liability	\$2.0 B
• Total Pension Appropriation (Fiscal 2006)	\$212.3 M

	Active	Retired
• Number of Members	20,456	14,034
• Total Payroll/Benefit	\$1.1 B	\$297.4 M
• Average Salary/Benefit	\$52,200	\$21,200
• Average Age	45	NA
• Average Service	12.9 years	NA

► INVESTMENT

Domestic Equity

- Boston Company
- Freedom Capital Management Corporation
- J&W Seligman & Company, Inc.
- RhumbLine S&P 500 Pooled Index Fund
- SSgA Russell 2000 Growth Fund
- SSgA Russell 3000 Index SL Fund
- SSgA Russell 3000 Index Plus SL Fund
- Westfield Capital Management Company, LLC
- Zevenbergen Capital

International Equity

- Alliance Bernstein Emerging Markets Value Account
- Boston Company International Equity Fund
- Capital International Emerging Markets Growth Fund
- Fisher Investments Foreign Equity Fund
- INVESCO Global Asset Management, Inc.
- PanAgora Asset Management
- Vontobel Asset Management

Domestic Fixed Income

- Fountain Capital Management, LLC
- J.P. Morgan Investment Counsel
- Richmond Capital Management
- SSgA Passive Bond Market Index SL Fund
- Wells Capital Management, Inc.

International Fixed Income

- Loomis, Sayles & Company, L.P.

Real Estate

- Hearthstone-MSII Homebuilding Investors
- Hearthstone Multi-State Residential Value Added Fund III
- Heitman Real Estate Fund IV

- INVESCO Core Real Estate Fund
- LaSalle Income & Growth Fund II & III
- Prudential Real Estate Investors (PRISA) Fund
- Schroder Real Estate Value Enhancement Fund B L.P.
- Urdang & Associates Real Estate Advisors, Inc.

Alternative Investments

- Ascent Venture Partners III, L.P.
- Audax Mezzanine Fund, L.P.
- Blue Point Capital Partners, L.P.
- Boston Millennia Partners II, L.P.
- Commonwealth Capital Ventures III
- Copley Partners I & II
- Crescendo IV, L.P.
- European Strategic Partners I, L.P.
- Evercore Capital Partners II, L.P.
- Evercore METC Capital Partners II, L.P.
- J.W. Childs Equity Partners III, L.P.
- Lexington Capital Partners V, L.P.
- Lexington Middle Market Investors, L.P.
- Monitor Clipper Equity Partners, L.P.
- MPM BioVentures III, L.P.
- New England Growth Fund I & II, L.P.
- Prudential Capital Partners, L.P.
- Prudential Capital Partners II
- Sanderling Venture Partners V & VI
- SCP Private Equity Partners II, L.P.
- Siguler Guff Distressed Opportunities Fund
- Siguler Guff Distressed Opportunities Fund II
- Sterling Capital Partners, L.P.
- Sterling Capital Partners II
- Sterling Venture Partners, LLC
- T. H. Lee Equity Partners, L.P.
- TH Lee Putnam Parallel Ventures, L.P.

► **INVESTMENT (CONT.)**

- Thomas H. Lee Equity Advisors IV, LLC
- Thomas H. Lee Equity Fund V, L.P.
- Thomas Weisel Global Growth Partners II
- Vanguard VI Annex Fund, L.P.
- Vanguard VII, L.P.
- Venture Lending & Leasing III & IV

Hedge Fund

- Arden Endowment Advisors Fund
- IVY Asset Mgmt—Maplewood Associates II, L.P.
- Mesirow Absolute Return Hub Fund
- A&Q Diversified Neutral Alpha Limited

Commission Recapture

- Bank of NY ESI
- Donaldson & Company
- Pension Fund Evaluations

Consultant

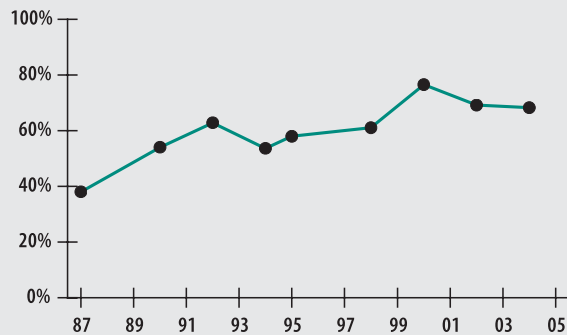
- New England Pension Consultants

Custodian

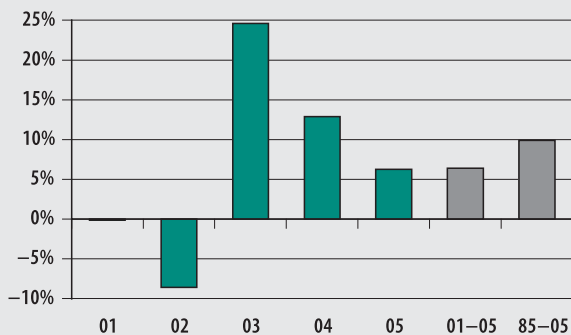
- State Street

► 2005 Return	8.56%
► 2005 Target	8.00%
► 2005 Market Value	\$3.7 B
► 2001-2005 (Annualized)	4.96%
► 1985-2005 (Annualized)	10.21%

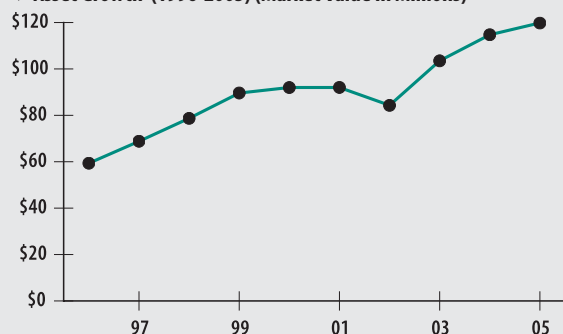
► **Funded Ratio (1987-2005)**



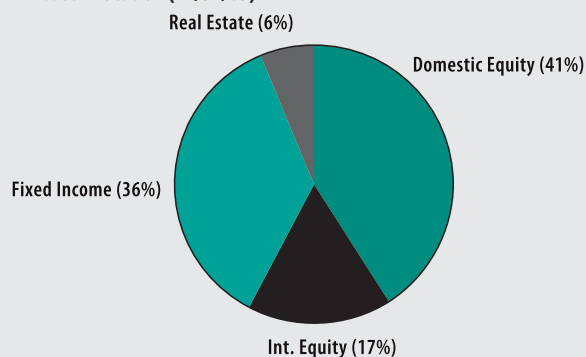
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	68.3%
• Date of Last Valuation	01/04
• Actuary	Stone
• Assumed Rate of Return	8.00%
• Funding Schedule	2.0% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$48.0 M
• Total Pension Appropriation (Fiscal 2006)	\$5.8 M

	Active	Retired
• Number of Members	700	489
• Total Payroll/Benefit	\$29.5 M	\$8.2 M
• Average Salary/Benefit	\$42,100	\$16,700
• Average Age	48	NA
• Average Service	11.6 years	NA

► **INVESTMENT**

Domestic Equity

- Armstrong Shaw Associates
- Eubel Brady & Suttman (EBS) Asset Management
- J.L. Kaplan Associates, LLC
- SSgA S&P 500 Flagship Fund

Domestic Fixed Income

- Loomis Sayles Investment Grade Fixed Income Fund
- SSgA Passive Bond Market Index SL Fund

International Equity

- Boston Company International Equity Fund

Real Estate

- PRIT

Consultant

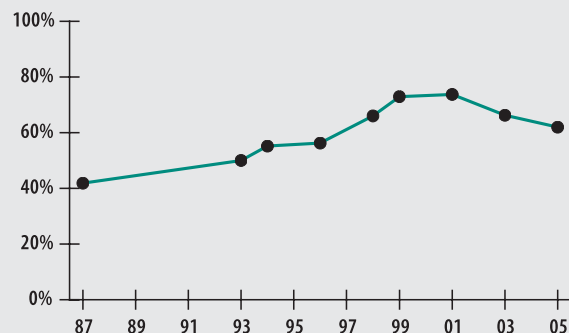
- New England Pension Consultants

Custodian

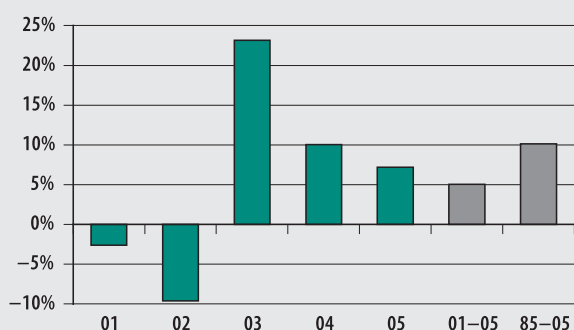
- State Street

► 2005 Return	6.26%
► 2005 Target	8.00%
► 2005 Market Value	\$119.7 M
► 2001-2005 (Annualized)	6.41%
► 1985-2005 (Annualized)	9.89%

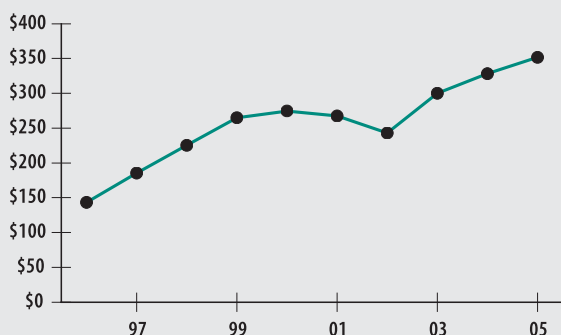
► **Funded Ratio (1987-2005)**



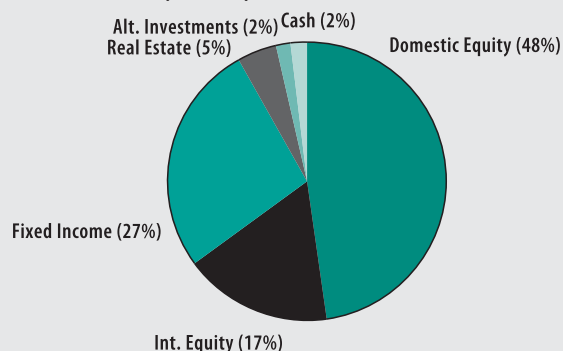
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	62.4%
• Date of Last Valuation	01/05
• Actuary	Buck
• Assumed Rate of Return	8.50%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2023
• Unfunded Liability	\$201.4 M
• Total Pension Appropriation (Fiscal 2006)	\$20.9 M

	Active	Retired
• Number of Members	3,942	1,883
• Total Payroll/Benefit	\$135.0 M	\$26.6 M
• Average Salary/Benefit	\$34,200	\$14,100
• Average Age	NA	71
• Average Service	NA	NA

► **INVESTMENT**

Domestic Equity

- Earnest Partners, LLC
- Freedom Capital Management Corporation
- Freedom Equity Style Fund
- INTECH Large Cap Growth Equity Fund
- LSV Asset Management
- Rice Hall James & Associates

International Equity

- Arrowstreet Capital, L.P.
- Freedom International Fund

Domestic Fixed Income

- Income Research & Management
- SSgA Passive Bond Market Index SL Fund

International Fixed Income

- Delaware Pooled Trust Global Fixed Income Portfolio

Real Estate

- BlackRock Apartment Value Fund II & III, L.P.
- Hancock ForesTree IV & V, L.P.
- L&B Realty Investment Program
- New Boston Institutional Fund, L.P. VI
- RREEF America REIT II
- SSgA Tuckerman, Multi-Family Development Program II
- SSgA Tuckerman, Residential Income and Value Added (RIVA) Fund
- TA Realty Associates Fund VII

Alternative Investments

- Charles River Partnership VII, VIII, IX, X, XI
- DN Partners, L.P.
- New England Growth Fund II, L.P.
- Senior Tour Players Fund I

Consultant

- CRA RogersCasey

Custodian

- Investors Bank & Trust

► 2005 Return	7.20%
► 2005 Target	8.90%
► 2005 Market Value	\$351.6 M
► 2001-2005 (Annualized)	5.04%
► 1985-2005 (Annualized)	10.14%

Board Members

William G. Harris (Chairperson),
William R. Farmer, Stephen Frederick,
William E. Parlow, Aldo E. Petronio

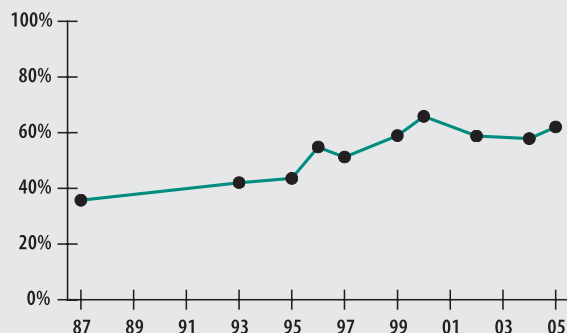
Board Administrator

Harold P. Hanna, Jr.

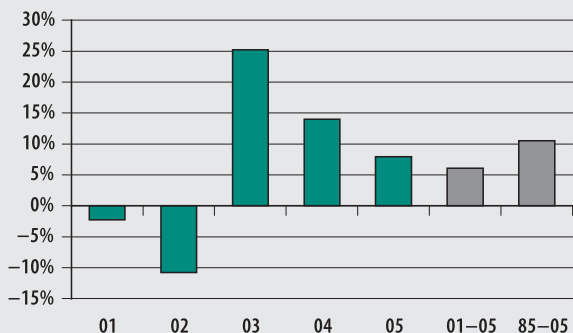
Board Meeting

Usually a day in last two weeks of month

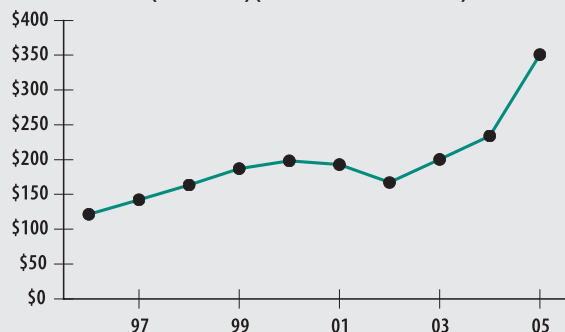
► **Funded Ratio (1987-2005)**



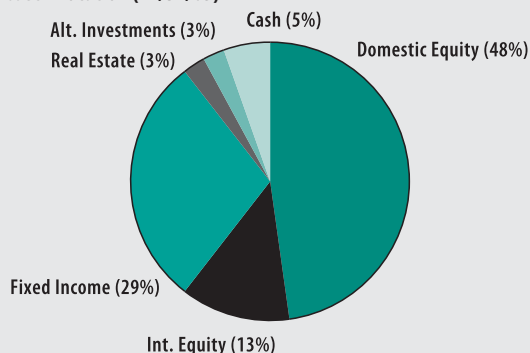
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	62.1%
• Date of Last Valuation	01/05
• Actuary	Buck
• Assumed Rate of Return	8.00%
• Funding Schedule	2.5% Increasing
• Year Fully Funded	2020
• Unfunded Liability	\$142.6 M
• Total Pension Appropriation (Fiscal 2006)	\$19.3 M

	Active	Retired
• Number of Members	1,843	1,215
• Total Payroll/Benefit	\$69.0 M	\$23.0 M
• Average Salary/Benefit	\$37,500	\$18,900
• Average Age	46	NA
• Average Service	10.9 years	NA

► **INVESTMENT**

Domestic Equity

- Aeltus Investment Management
- Boston Company Asset Management
- Earnest Partners, LLC
- Freedom Capital Management Corporation
- ICON Advisers, Inc.
- Independence Investment, LLC
- Los Angeles Capital Management and Equity Research, Inc.
- Wellington Trust Co-CIF Mid Cap Growth Portfolio

International Equity

- Acadian International Small Cap Fund, LLC
- Boston Company Emerging Markets Pooled Fund
- Freedom International Fund

Domestic Fixed Income

- Freedom Capital Management
- Loomis, Sayles & Company, L.P.

International Fixed Income

- Delaware Pooled Trust International Fixed Income Portfolio
- Lazard Emerging Income Fund

Real Estate

- BlackRock Apartment Value Fund II, L.P.
- Duff & Phelps Real Estate Securities Trust
- Intercontinental Real Estate Investment Fund IV, LLC

• L&B Property Fund IV

- New Boston Institutional Fund, L.P. VI
- SSgA Tuckman-Residential Income and Value-Added (RIVA) Fund
- TA Realty Associates Fund VI

Alternative Investments

- Ascent Venture Partners II, III, IV L.P.
- Boston Capital Ventures II & III
- Charlesbank Equity Fund V
- First America Asia Fund I LLC
- HealthPoint Partners, L.P.
- INVESCO Non-U.S. Partnership Fund III, L.P.
- New England Growth Fund II, L.P.

Commission Recapture

- Fleet Institutional Trading
- Lynch, Jones & Ryan
- Trading Partners

Consultant

- Evaluation Associates, LLC

Custodian

- State Street

► 2005 Return	7.94%
► 2005 Target	8.00%
► 2005 Market Value	\$350.9 M
► 2001-2005 (Annualized)	6.08%
► 1985-2005 (Annualized)	10.54%

Brookline

Town Hall
333 Washington Street
Brookline, MA 02445
Phone 617-730-2028
Fax 617-730-2298

Board Members

James J. Riley (Chairperson), Gary Altman,
Stephan E. Cirillo, Joseph P. Duffy,
Judith A. Haupin

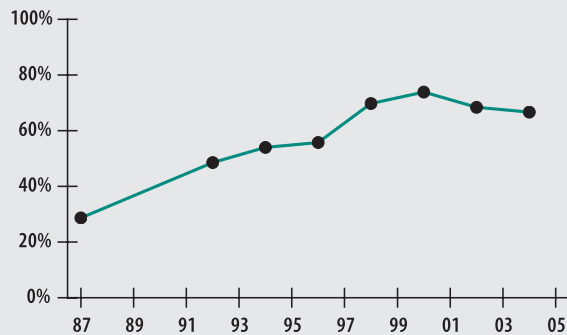
Board Administrator

Frank J. Zecha

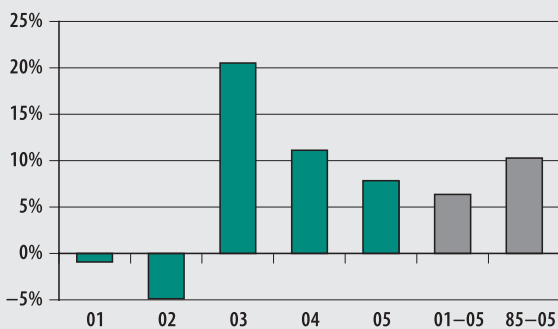
Board Meeting

Varies

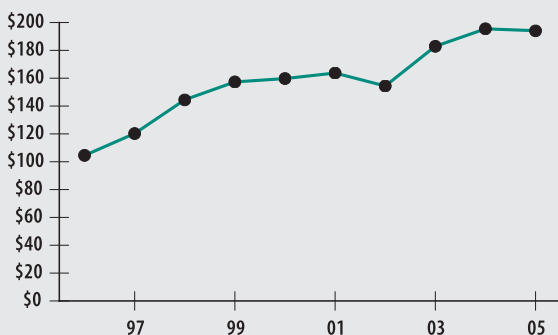
► Funded Ratio (1987-2005)



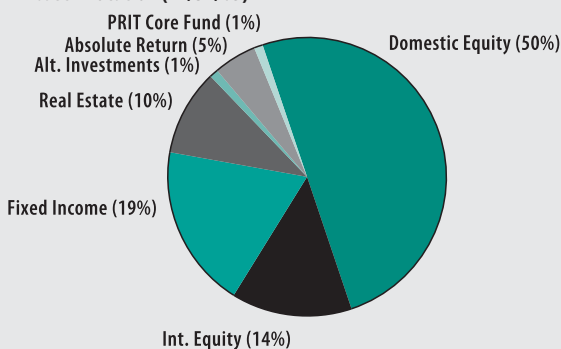
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	66.7%
• Date of Last Valuation	01/04
• Actuary	Mellon
• Assumed Rate of Return	8.25%
• Funding Schedule	3.5% Increasing
• Year Fully Funded	2023
• Unfunded Liability	\$88.3 M
• Total Pension Appropriation (Fiscal 2006)	\$9.9 M

	Active	Retired
• Number of Members	1,420	811
• Total Payroll/Benefit	\$52.4 M	\$16.0 M
• Average Salary/Benefit	\$36,900	\$19,700
• Average Age	NA	73
• Average Service	NA	NA

► INVESTMENT

Domestic Equity

- SSgA S&P 500 Flagship Fund
- T. Rowe Price Small Cap Stock Fund
- Earnest Partners, LLC
- Enhanced Investment Technologies (INTECH)

Consultant

- Meketa Investment Group

Custodian

- State Street

International Equity

- Boston Company International Equity Fund

Domestic Fixed Income

- BlackRock Capital Management
- Loomis Sayles Institutional High Income Fund

Real Estate

- Bailard Real Estate Investment Trust I
- PRIT

Alternative Investments

- HarbourVest Partners VII - Buyout Partnership Fund L.P.
- HarbourVest Partners VII - Mezzanine Fund L.P.
- HarbourVest Partners VII - Venture Fund L.P.
- INVESCO Non-U.S. Partnership Fund III, L.P.
- INVESCO U.S. Buyout & Expansion Capital Partnership Fund III, L.P.
- INVESCO Venture Partnership Fund III, L.P.

General Allocation

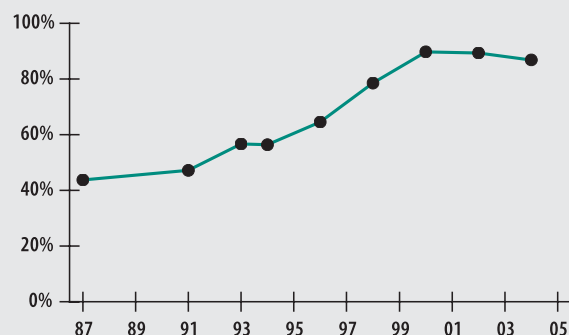
- PRIT

Absolute Return

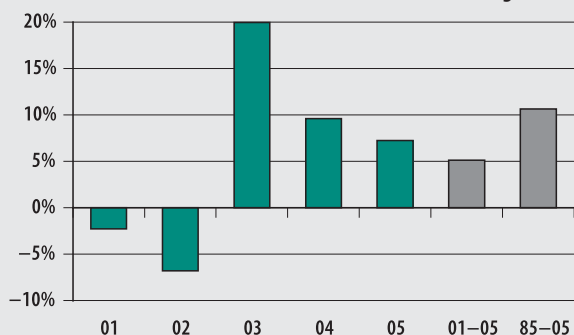
- PRIT

► 2005 Return	7.87%
► 2005 Target	8.25%
► 2005 Market Value	\$193.9 M
► 2001-2005 (Annualized)	6.38%
► 1985-2005 (Annualized)	10.28%

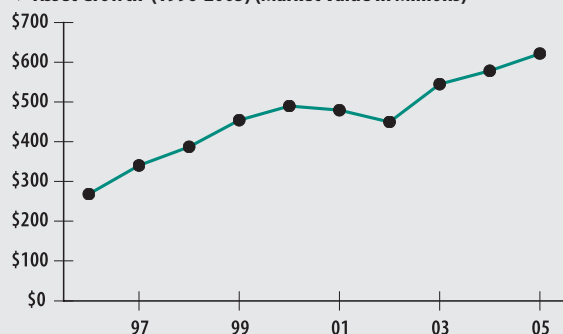
► **Funded Ratio (1987-2005)**



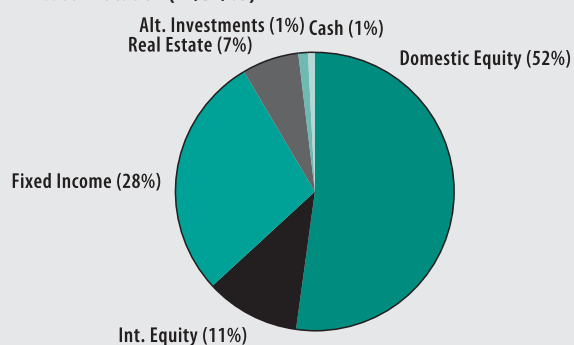
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	86.9%
• Date of Last Valuation	01/04
• Actuary	Segal
• Assumed Rate of Return	8.50%
• Funding Schedule	9-year Decreasing
• Year Fully Funded	2013
• Unfunded Liability	\$85.6 M
• Total Pension Appropriation (Fiscal 2006)	\$24.6 M

	Active	Retired
• Number of Members	3,825	1,746
• Total Payroll/Benefit	\$174.9 M	\$33.1 M
• Average Salary/Benefit	\$45,700	\$19,000
• Average Age	44	NA
• Average Service	10.1 years	NA

► **INVESTMENT**

Domestic Equity

- Columbia Management Group, Inc.
- Freedom Equity Style Fund
- Loomis, Sayles & Company, L.P.
- Marvin & Palmer Associates, Inc.
- MFS Institutional Advisors, Inc.
- SSgA S&P 500 Flagship Fund
- Trusco Capital Management, Inc.
- WEDGE Capital Management, LLP

International Equity

- Freedom International Fund
- SSgA MSCI-EAFE Index Securities Lending Fund

Domestic Fixed Income

- Fidelity Broad Market Duration Portfolio
- Income Research & Management
- MacKay-Shields Financial Corporation

Real Estate

- AEW Partners V, L.P.
- Carey Corporate Properties Associates Fund 15
- Hancock ForesTree V Fund
- UBS Real Estate Separate Account (RESA)

Alternative Investments

- Ascent Venture Partners II, III, IV L.P.
- Charles River Partnership VII & VIII
- Merrill Lynch Diversified Private Equity Program II

Commission Recapture

- Lynch, Jones & Ryan

Consultant

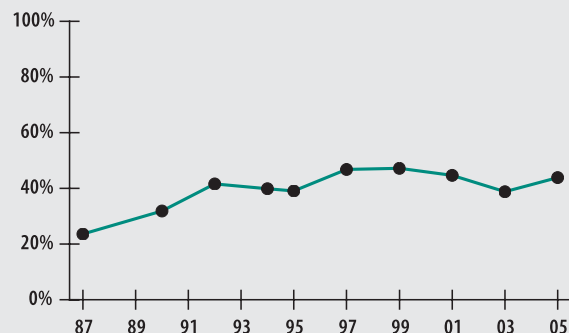
- Segal Advisors

Custodian

- State Street

► 2005 Return	7.26%
► 2005 Target	9.00%
► 2005 Market Value	\$621.7 M
► 2001-2005 (Annualized)	5.15%
► 1985-2005 (Annualized)	10.66%

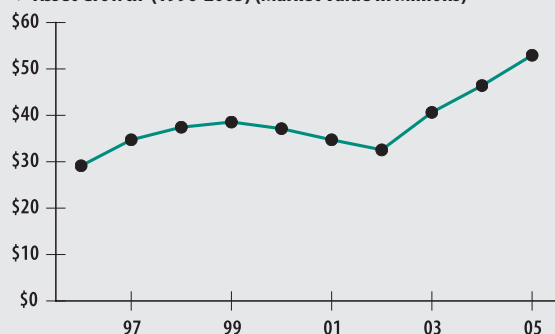
► **Funded Ratio (1987-2005)**



► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation**

See page 121 for PRIT asset allocation chart.

► **ACTUARIAL**

• Funded Ratio	43.9%
• Date of Last Valuation	01/05
• Actuary	PERAC
• Assumed Rate of Return	8.25%
• Funding Schedule	3.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$64.3 M
• Total Pension Appropriation (Fiscal 2006)	\$6.7 M

	Active	Retired
• Number of Members	663	384
• Total Payroll/Benefit	\$24.4 M	\$6.4 M
• Average Salary/Benefit	\$36,900	\$16,800
• Average Age	45	73
• Average Service	10.8 years	NA

► **INVESTMENT**

- PRIT

► 2005 Return	10.66%
► 2005 Target	8.25%
► 2005 Market Value	\$52.9 M
► 2001-2005 (Annualized)	4.65%
► 1985-2005 (Annualized)	8.80%

Chicopee

City Hall
Market Square
Chicopee, MA 01013-2685
Phone 413-594-1542
Fax 413-594-1544

Board Members

Maxwell S. Mackechnie (Chairperson),
Debra Boronski, James R. Montcalm,
Timothy O'Shea, Sharyn A. Riley

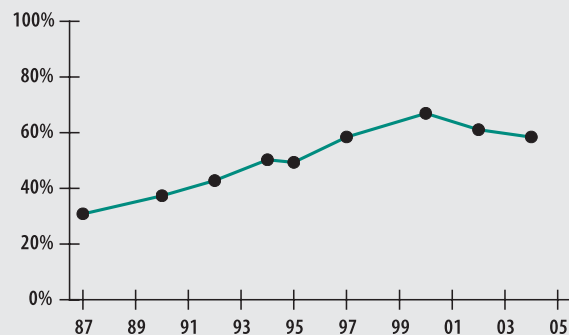
Board Administrator

Susana Baltazar

Board Meeting

Second Thursday of each month at 2:00 pm

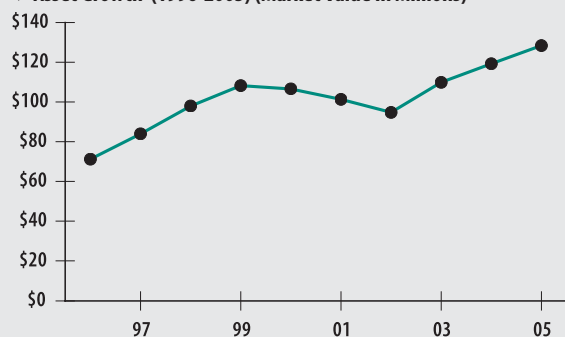
► Funded Ratio (1987-2005)



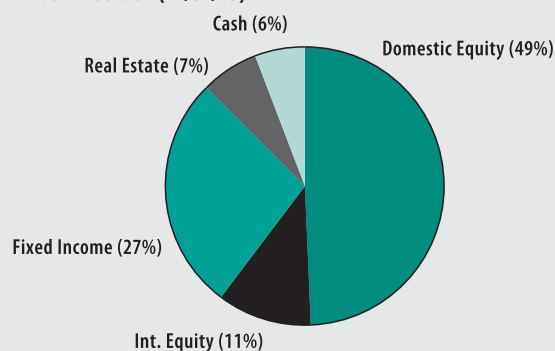
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	58.5%
• Date of Last Valuation	01/04
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2019
• Unfunded Liability	\$84.2 M
• Total Pension Appropriation (Fiscal 2006)	\$11.1 M

	Active	Retired
• Number of Members	1,157	872
• Total Payroll/Benefit	\$36.5 M	\$12.9 M
• Average Salary/Benefit	\$31,600	\$14,800
• Average Age	46	73
• Average Service	10.9 years	NA

► INVESTMENT

Domestic Equity

- Ark Asset Management Company, Inc.
- Earnest Partners, LLC
- Freedom Capital Management Corporation
- Freedom Equity Style Fund
- Freedom Large Cap Value Fund
- Freedom Style Weighted Concentrated Fund
- Independence Small Cap Growth Group Trust

International Equity

- Boston Company International Value Equity Fund
- Fidelity International Growth Commingled Pool

Domestic Fixed Income

- Freedom Core Plus Fixed Income Fund
- MassMutual Participation Investors

Real Estate

- BlackRock Apartment Value Fund II & III, L.P.
- PRIT

Consultant

- Segal Advisors

Custodian

- Investors Bank & Trust

► 2005 Return	7.72%
► 2005 Target	8.50%
► 2005 Market Value	\$128.3 M
► 2001-2005 (Annualized)	4.64%
► 1985-2005 (Annualized)	9.59%

Board Members

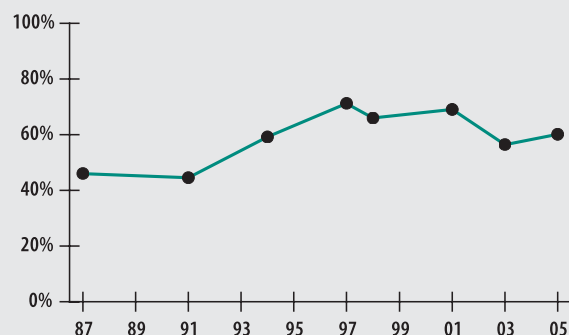
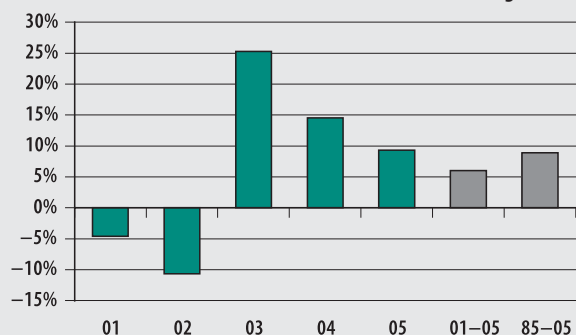
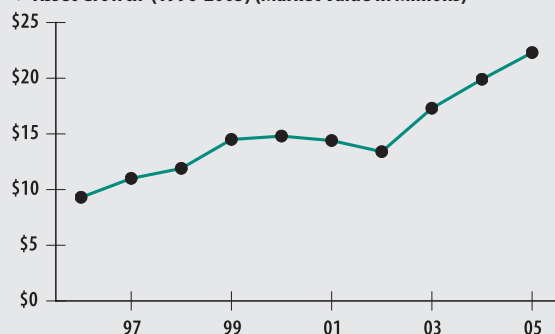
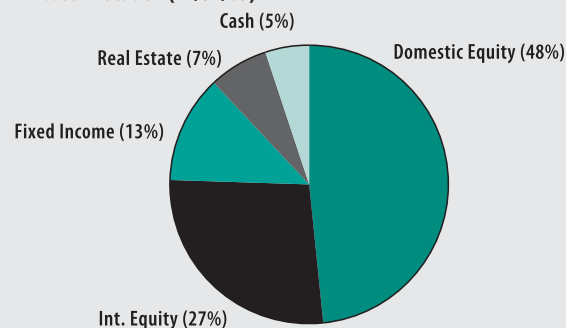
Paul B. Cherubini (Chairperson),
Michael P. DiGisi, George T. Kittredge,
Diane L. Magliozzi, John M. McNamara

Board Administrator

Mary L. Harding

Board Meeting

Generally the last Tuesday of each month at
4:30 pm

Funded Ratio (1987-2005)

Investment Return (2001-2005, 5 Year and 21 Year Averages)

Asset Growth (1996-2005) (Market Value in Millions)

Asset Allocation (12/31/05)

ACTUARIAL

• Funded Ratio	60.2%
• Date of Last Valuation	01/05
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$12.6 M
• Total Pension Appropriation (Fiscal 2006)	\$1.5 M

	Active	Retired
• Number of Members	251	103
• Total Payroll/Benefit	\$7.8 M	\$1.3 M
• Average Salary/Benefit	\$31,000	\$12,800
• Average Age	46	73
• Average Service	9.9 years	NA

INVESTMENT
Domestic Equity

- SSgA Active U.S. Large Cap Value Fund
- SSgA S&P 500 Flagship Fund
- SSgA Small Cap Index Plus Fund

International Equity

- SSgA All International Allocation Common Trust Fund
- SSgA Daily International Alpha Securities Lending Fund

Domestic Fixed Income

- SSgA Bond Market Fund
- SSgA Treasury Inflation Protected Securities (TIPS) Fund

Real Estate

- SSgA Active REIT Fund

Consultant

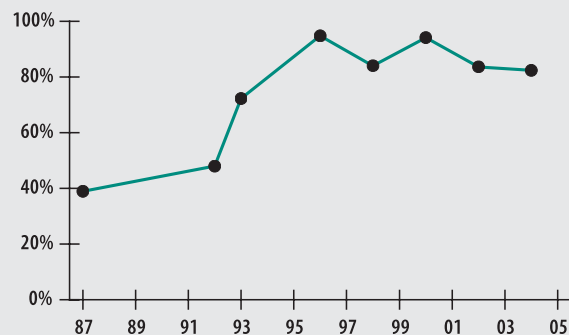
- Trust Advisory Group, Ltd.

Custodian

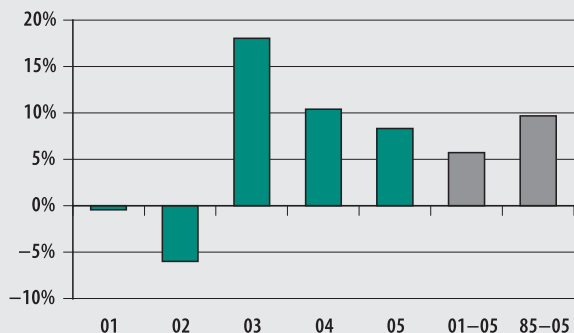
- State Street

► 2005 Return	9.32%
► 2005 Target	8.00%
► 2005 Market Value	\$22.3 M
► 2001-2005 (Annualized)	6.00%
► 1985-2005 (Annualized)	8.89%

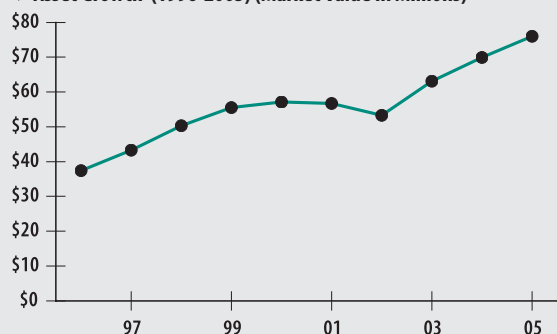
► **Funded Ratio (1987-2005)**



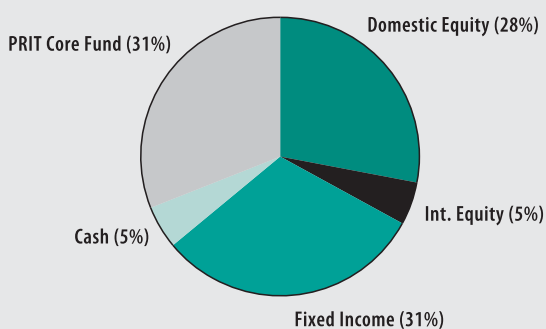
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	82.4%
• Date of Last Valuation	01/04
• Actuary	Stone
• Assumed Rate of Return	7.75%
• Funding Schedule	Level
• Year Fully Funded	2016
• Unfunded Liability	\$13.5 M
• Total Pension Appropriation (Fiscal 2006)	\$2.9 M

	Active	Retired
• Number of Members	438	252
• Total Payroll/Benefit	\$18.0 M	\$3.6 M
• Average Salary/Benefit	\$41,100	\$14,300
• Average Age	47	NA
• Average Service	10.5 years	NA

► **INVESTMENT**

Domestic Equity

- Columbia Disciplined Value Fund
- Frank Russell Equity I Fund

International Equity

- Frank Russell International Fund

Domestic Fixed Income

- Columbia Management Group, Inc.

Balanced Fund

- Frank Russell Tactical Asset Allocation Fund

General Allocation

- PRIT

Custodian

- Bank of America

► 2005 Return	8.35%
► 2005 Target	8.00%
► 2005 Market Value	\$76.0 M
► 2001-2005 (Annualized)	5.75%
► 1985-2005 (Annualized)	9.70%

Danvers

Town Hall
Sylvan Street
Danvers, MA 01923
Phone 978-777-0001, Ext. 3044
Fax 978-762-0264

Board Members

Leonard A. Marshall (Chairperson),
Robert J. Cyr, Dana M. Hagan,
Charles Levasseur, Wayne P. Marquis

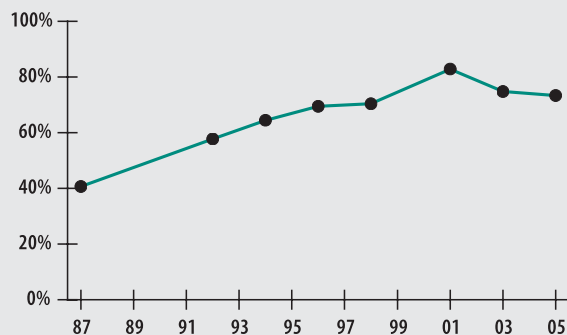
Board Administrator

Leonard A. Marshall

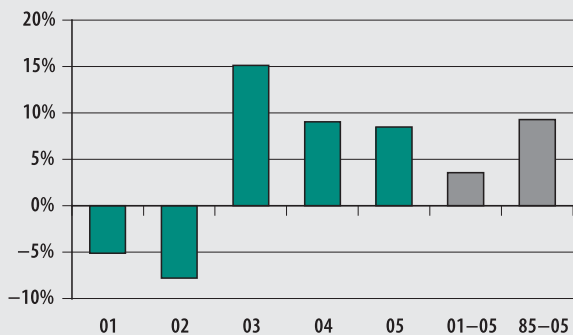
Board Meeting

Last Wednesday of each month at 3:00 pm

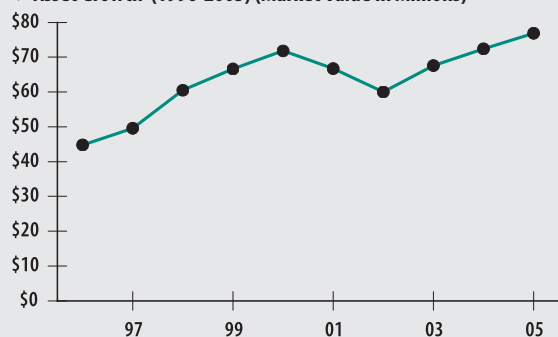
► Funded Ratio (1987-2005)



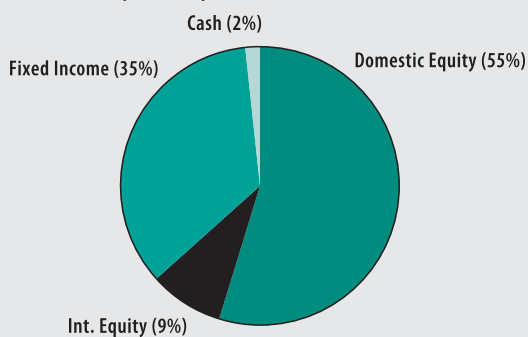
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	73.4%
• Date of Last Valuation	01/05
• Actuary	Buck
• Assumed Rate of Return	8.00%
• Funding Schedule	3.5% Increasing
• Year Fully Funded	2024
• Unfunded Liability	\$27.1 M
• Total Pension Appropriation (Fiscal 2006)	\$3.3 M

	Active	Retired
• Number of Members	464	406
• Total Payroll/Benefit	\$18.8 M	\$6.0 M
• Average Salary/Benefit	\$40,600	\$14,700
• Average Age	46	NA
• Average Service	12.1 years	NA

► INVESTMENT

Domestic Equity

- Congress Trust, N.A.
- Fidelity Spartan 500 Index Fund
- NWQ Investment Management Company, LLC

Domestic Fixed Income

- Wellington Trust Co-CIF II Core Bond Plus Portfolio

International Equity

- GlobeFlex International Small Cap Equity Fund

Consultant

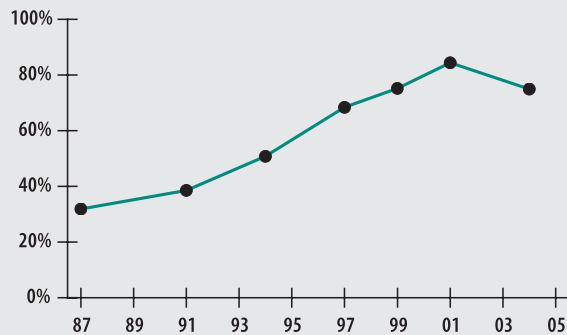
- Morgan Stanley DW Inc.

Custodian

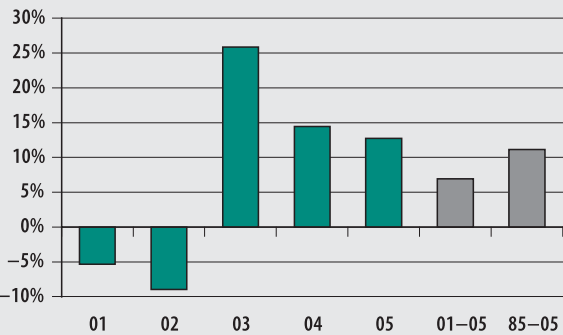
- State Street

► 2005 Return	8.48%
► 2005 Target	8.00%
► 2005 Market Value	\$76.9 M
► 2001-2005 (Annualized)	3.57%
► 1985-2005 (Annualized)	9.31%

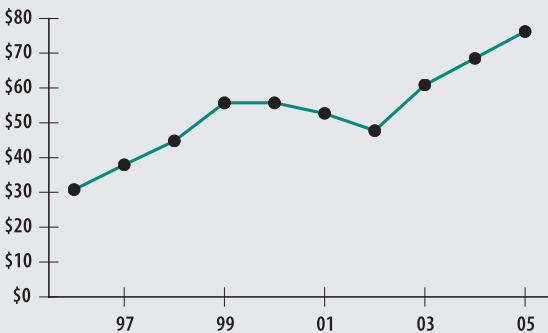
► **Funded Ratio (1987-2005)**



► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation**

See page 121 for PRIT asset allocation chart.

► **ACTUARIAL**

• Funded Ratio	75.0%
• Date of Last Valuation	01/04
• Actuary	Stone
• Assumed Rate of Return	8.00%
• Funding Schedule	Level
• Year Fully Funded	2020
• Unfunded Liability	\$20.4 M
• Total Pension Appropriation (Fiscal 2006)	\$3.2 M

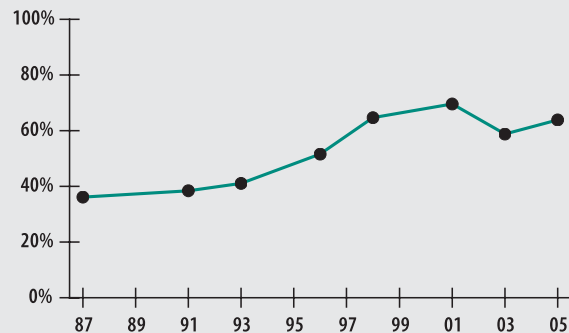
	Active	Retired
• Number of Members	395	291
• Total Payroll/Benefit	\$14.9 M	\$4.6 M
• Average Salary/Benefit	\$37,600	\$15,800
• Average Age	47	NA
• Average Service	11.2 years	NA

► **INVESTMENT**

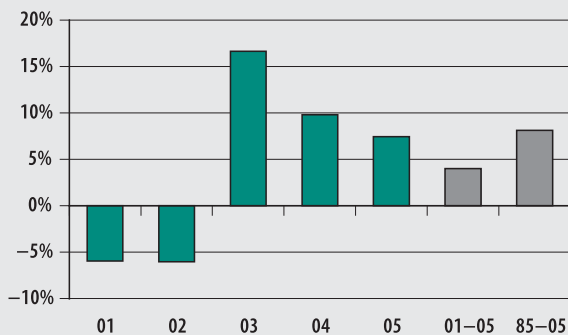
- PRIT

► 2005 Return	12.74%
► 2005 Target	8.00%
► 2005 Market Value	\$76.2 M
► 2001-2005 (Annualized)	6.95%
► 1985-2005 (Annualized)	11.17%

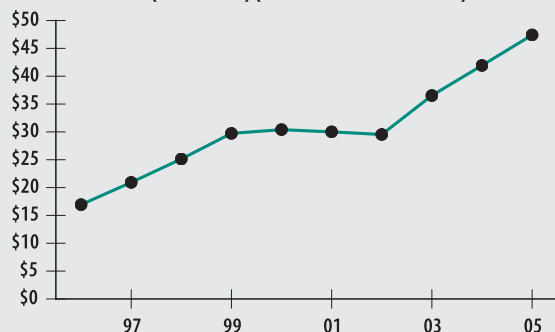
► **Funded Ratio (1987-2005)**



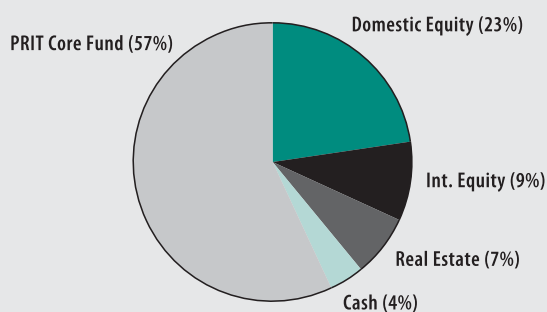
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	63.8%
• Date of Last Valuation	01/05
• Actuary	Buck
• Assumed Rate of Return	7.75%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2023
• Unfunded Liability	\$24.7 M
• Total Pension Appropriation (Fiscal 2006)	\$3.6 M

	Active	Retired
• Number of Members	667	205
• Total Payroll/Benefit	\$22.7 M	\$3.0 M
• Average Salary/Benefit	\$34,000	\$14,600
• Average Age	46	NA
• Average Service	7.5 years	NA

► **INVESTMENT**

Domestic Equity

- Buckhead Capital Management, LLC
- Navellier & Associates, Inc.

International Equity

- PRIT

Real Estate

- PRIT

Core

- PRIT

Consultant

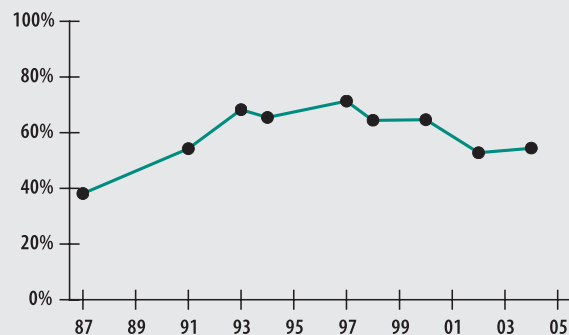
- Dahab Associates

Custodian

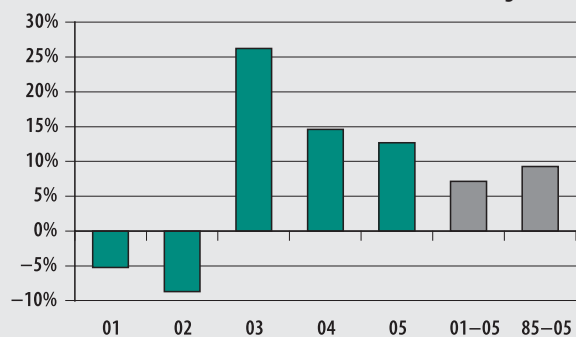
- State Street

► 2005 Return	7.45%
► 2005 Target	9.00%
► 2005 Market Value	\$47.4 M
► 2001-2005 (Annualized)	4.00%
► 1985-2005 (Annualized)	8.12%

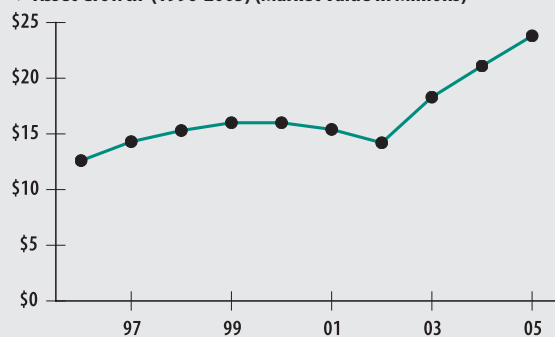
► Funded Ratio (1987-2005)



► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation

See page 121 for PRIT asset allocation chart.

► ACTUARIAL

• Funded Ratio	54.5%
• Date of Last Valuation	01/04
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$15.3 M
• Total Pension Appropriation (Fiscal 2006)	\$1.7 M

	Active	Retired
• Number of Members	231	124
• Total Payroll/Benefit	\$7.2 M	\$1.7 M
• Average Salary/Benefit	\$31,200	\$14,100
• Average Age	47	71
• Average Service	10.9 years	NA

► INVESTMENT

- PRIT

► 2005 Return	12.67%
► 2005 Target	8.00%
► 2005 Market Value	\$23.8 M
► 2001-2005 (Annualized)	7.12%
► 1985-2005 (Annualized)	9.29%

Board Members

Timothy A. Bassett (Chairperson),
James D. Cashman, William P. Martineau,
Glenn C. Morse, Katherine O'Leary

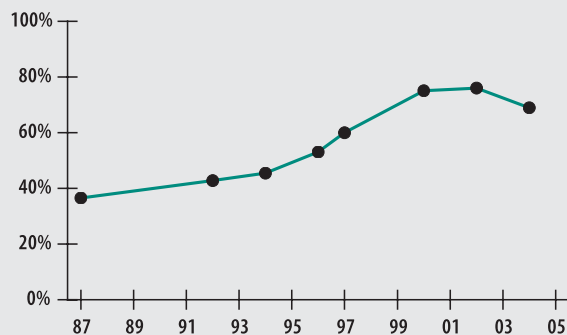
Board Administrator

Timothy A. Bassett

Board Meeting

Generally the last Wednesday of each month

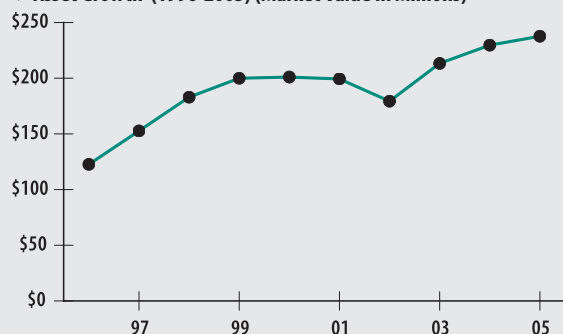
► **Funded Ratio (1987-2005)**



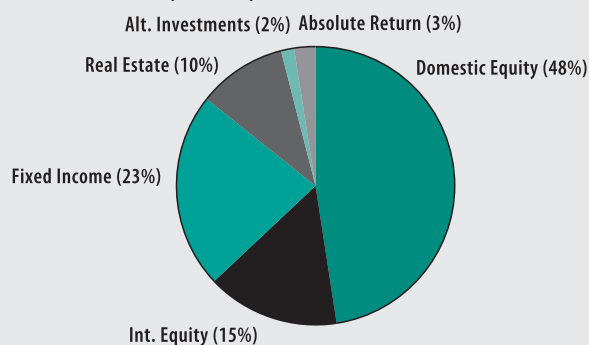
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	68.9%
• Date of Last Valuation	01/04
• Actuary	Segal
• Assumed Rate of Return	8.50%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$103.5 M
• Total Pension Appropriation (Fiscal 2006)	\$14.0 M

	Active	Retired
• Number of Members	3,035	1,498
• Total Payroll/Benefit	\$93.4 M	\$18.1 M
• Average Salary/Benefit	\$30,800	\$12,100
• Average Age	46	NA
• Average Service	8.2 years	NA

► **INVESTMENT**

Domestic Equity

- Babson Capital Management LLC
- Daruma Asset Management, Inc.
- Freedom Equity Style Fund
- Freedom Large Cap Growth Fund
- Freedom Large Cap Value Fund
- Freedom Style Weighted Concentrated Fund
- Wellington Trust Co-CIF Research Equity Portfolio

International Equity

- Freedom International Fund
- Wellington Trust Co-CIF International Growth Portfolio

Domestic Fixed Income

- Freedom Core Fixed Income Fund
- Loomis Sayles Institutional High Income Fund
- MFS Core Plus Research Fixed Income Fund

Real Estate

- BlackRock Apartment Value Fund II & III, L.P.
- Intercontinental Real Estate Investment Fund III, LLC
- L&B Realty Investment Program
- MetLife Tower Fund
- PRIT
- Sentinel Realty Partners IV

Alternative Investments

- Ascent Venture Partners III & IV, L.P.
- Boston Millennia Partners, L.P.
- Boston Millennia Partners II, L.P.
- Levine Leichtman Capital Partners III, L.P.
- MTDC Commonwealth Fund Investment Program II
- MTDC Heritage Fund

Absolute Return

- PRIT

Consultant

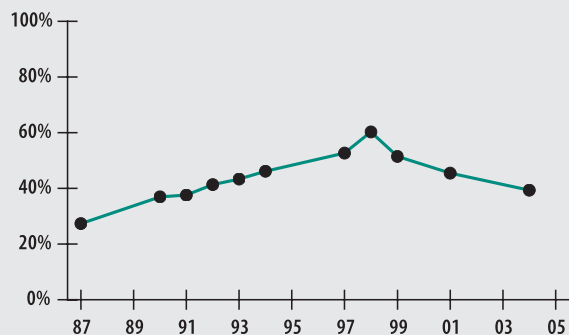
- Segal Advisors

Custodian

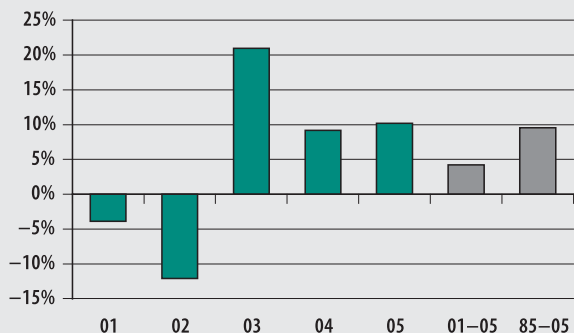
- State Street

► 2005 Return	6.58%
► 2005 Target	9.00%
► 2005 Market Value	\$237.6 M
► 2001-2005 (Annualized)	4.62%
► 1985-2005 (Annualized)	10.13%

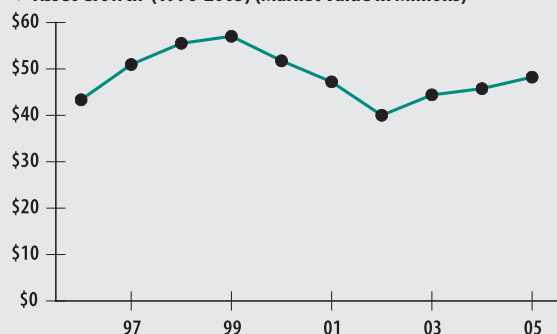
► **Funded Ratio (1987-2005)**



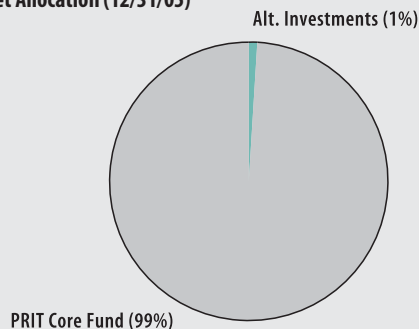
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	39.4%
• Date of Last Valuation	01/04
• Actuary	Mellon
• Assumed Rate of Return	8.50%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2027
• Unfunded Liability	\$77.7 M
• Total Pension Appropriation (Fiscal 2006)	\$6.6 M

	Active	Retired
• Number of Members	520	633
• Total Payroll/Benefit	\$20.9 M	\$10.2 M
• Average Salary/Benefit	\$40,200	\$16,100
• Average Age	46	NA
• Average Service	10.4 years	NA

► **INVESTMENT**

Alternative Investments

- New England Growth Fund I & II, L.P.

Core

- PRIT

► 2005 Return	10.19%
► 2005 Target	8.50%
► 2005 Market Value	\$48.2 M
► 2001-2005 (Annualized)	4.22%
► 1985-2005 (Annualized)	9.54%

Board Members

Andrew J. Martin (Chairperson),
Anne M. Carreiro, Earl M. Faunce,
Jeffrey Osuch, Christine Tetreault

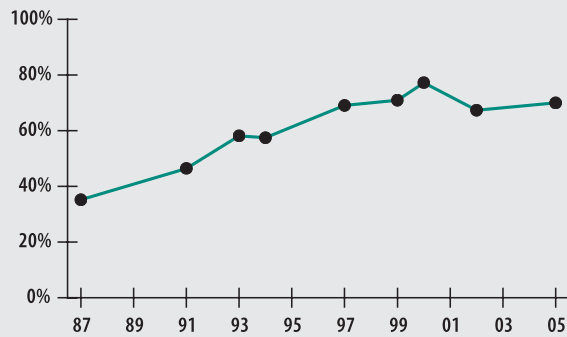
Board Administrator

Claudette Souza

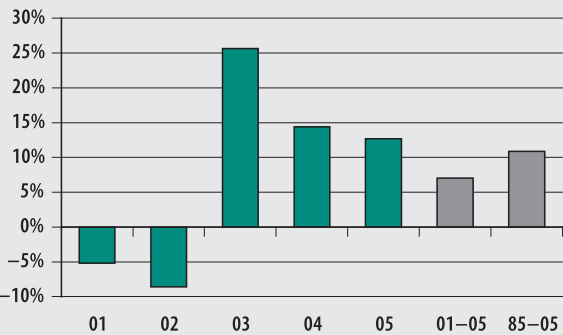
Board Meeting

Fourth Monday of each month at 9:00 am

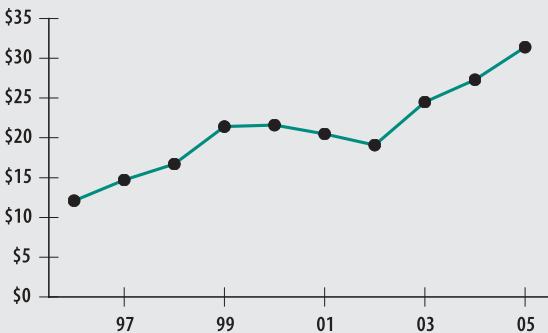
► **Funded Ratio (1987-2005)**



► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation**

See page 121 for PRIT asset allocation chart.

► **ACTUARIAL**

• Funded Ratio	70.0%
• Date of Last Valuation	01/05
• Actuary	Stone
• Assumed Rate of Return	8.00%
• Funding Schedule	4.15% Increasing
• Year Fully Funded	2019
• Unfunded Liability	\$12.0 M
• Total Pension Appropriation (Fiscal 2006)	\$1.6 M

	Active	Retired
• Number of Members	305	167
• Total Payroll/Benefit	\$9.2 M	\$2.0 M
• Average Salary/Benefit	\$30,300	\$12,200
• Average Age	44	NA
• Average Service	8.6 years	NA

► **INVESTMENT**

- PRIT

► 2005 Return	12.70%
► 2005 Target	8.30%
► 2005 Market Value	\$31.4 M
► 2001-2005 (Annualized)	7.02%
► 1985-2005 (Annualized)	10.89%

Fall River

One Government Center
Room 324
Fall River, MA 02722
Phone 508-324-2310
Fax 508-324-2314

Board Members

Joseph C. Almeida (Chairperson),
Anthony F. Cordeiro, Douglas Fiore,
David Machado, Arthur Viena

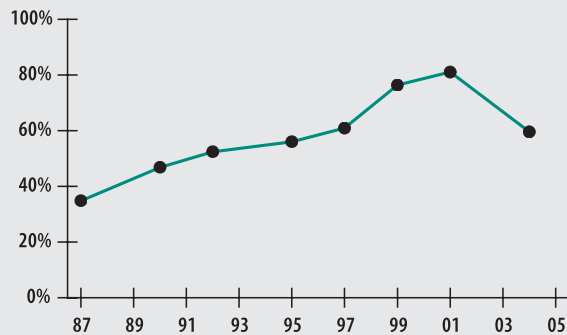
Board Administrator

Christine Tetreault

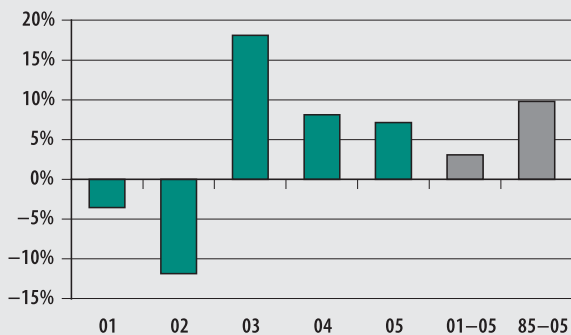
Board Meeting

Varies

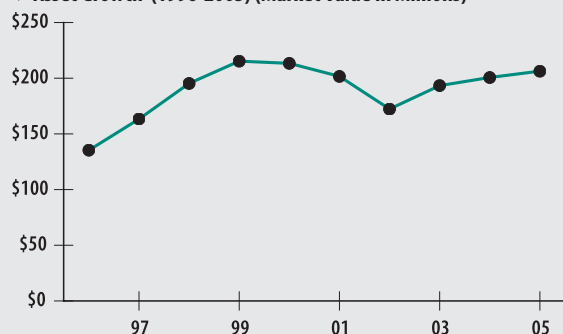
► Funded Ratio (1987-2005)



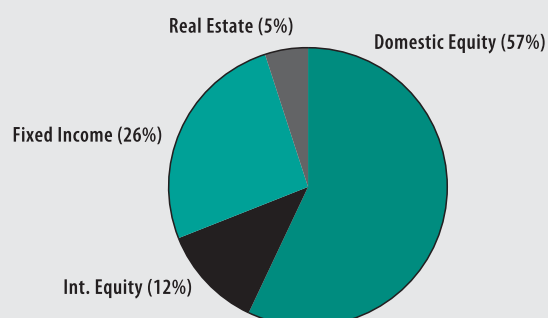
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	59.6%
• Date of Last Valuation	01/04
• Actuary	PERAC
• Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$141.1 M
• Total Pension Appropriation (Fiscal 2006)	\$11.2 M

	Active	Retired
• Number of Members	1,837	1,502
• Total Payroll/Benefit	\$60.2 M	\$20.8 M
• Average Salary/Benefit	\$32,800	\$13,900
• Average Age	46	72
• Average Service	12.7 years	NA

► INVESTMENT

Domestic Equity

- Chicago Equity Partners, Inc.
- Earnest Partners, LLC
- Freedom Large Cap Growth Fund
- Freedom Large Cap Value Fund
- Independence Small Cap Fund
- RhumbLine Russell 1000 Pooled Index Fund

International Equity

- Boston Company International Equity Fund

Domestic Fixed Income

- Freedom Core Plus Fixed Income Fund
- SSgA Passive Bond Market Index Fund
- SSgA Treasury Inflation Protected Securities (TIPS) Fund

Real Estate

- PRIT

Consultant

- Meketa Investment Group

Custodian

- Investors Bank & Trust

► 2005 Return	7.13%
► 2005 Target	8.32%
► 2005 Market Value	\$206.1 M
► 2001-2005 (Annualized)	3.06%
► 1985-2005 (Annualized)	9.79%

Board Members

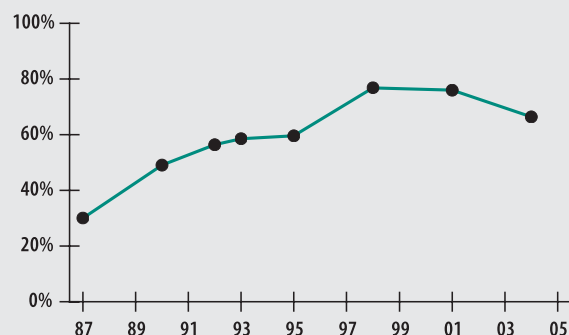
Paul D. Brodeur (Chairperson),
Mary Ellen Alwardt, Russell Ferreira,
Robert Shann, Robert Whritenour

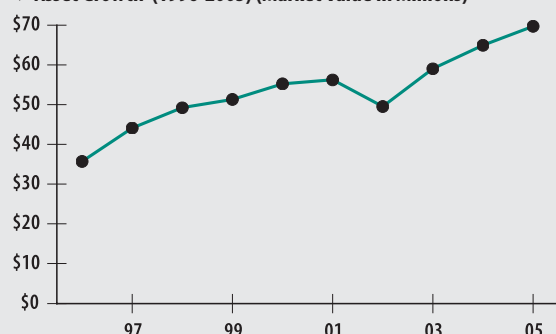
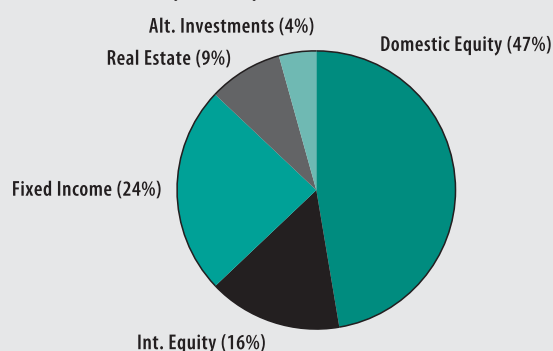
Board Administrator

Ellen Philbin

Board Meeting

Varies

Funded Ratio (1987-2005)

Investment Return (2001-2005, 5 Year and 21 Year Averages)

Asset Growth (1996-2005) (Market Value in Millions)

Asset Allocation (12/31/05)

ACTUARIAL

• Funded Ratio	66.4%
• Date of Last Valuation	01/04
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$31.8 M
• Total Pension Appropriation (Fiscal 2006)	\$3.5 M

	Active	Retired
• Number of Members	622	302
• Total Payroll/Benefit	\$22.8 M	\$4.3 M
• Average Salary/Benefit	\$36,600	\$14,300
• Average Age	46	71
• Average Service	10.3 years	NA

INVESTMENT
Domestic Equity

- Delaware Investment Advisors
- Earnest Partners, LLC
- Provident Investment Counsel
- Wellington Trust Co-CIF Mid Cap Intersection Fund

Custodian

- Investors Bank & Trust

International Equity

- Denver International Small Cap Equity Fund
- INVESCO IRT International Equity Fund

Domestic Fixed Income

- Freedom Capital Management Corporation

International Fixed Income

- Baring International Group Trust Fund F

Real Estate

- Intercontinental Real Estate Investment Fund III, LLC
- Principal U.S. Property Account

Alternative Investments

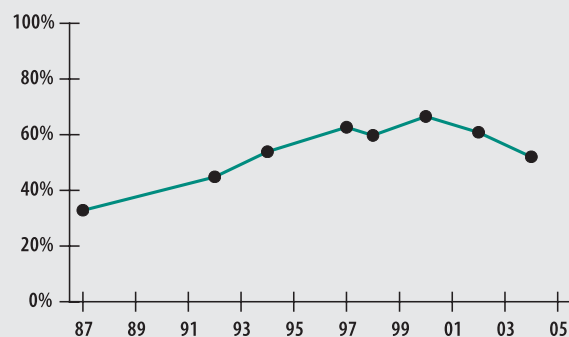
- INVESCO Non-U.S. Partnership Fund III, L.P.
- INVESCO U.S. Buyout & Expansion Capital Partnership Fund III, L.P.
- INVESCO Venture Partnership Fund III, L.P.
- Lexington Capital Partners V, L.P.

Consultant

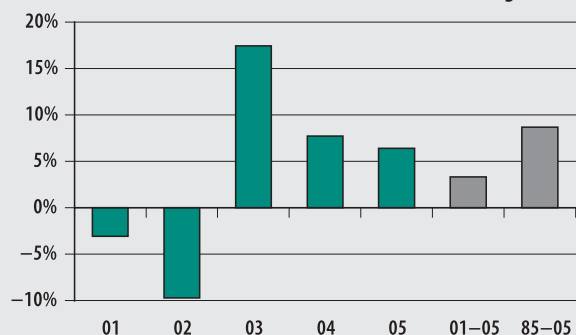
- Wainwright Investment Counsel, LLC

► 2005 Return	7.69%
► 2005 Target	8.96%
► 2005 Market Value	\$69.7 M
► 2001-2005 (Annualized)	5.35%
► 1985-2005 (Annualized)	10.42%

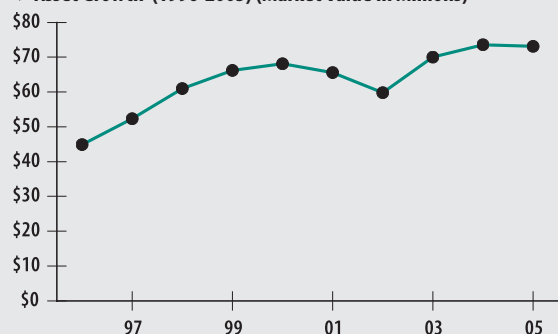
► Funded Ratio (1987-2005)



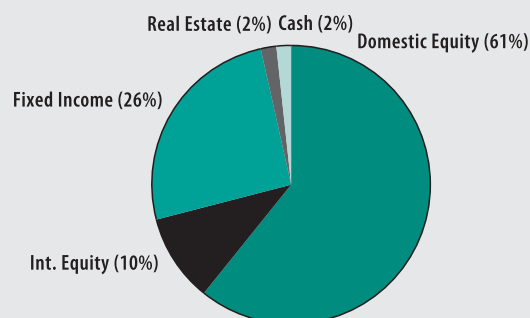
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	52.1%
• Date of Last Valuation	01/04
• Actuary	Stone
• Assumed Rate of Return	8.00%
• Funding Schedule	4.0% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$64.8 M
• Total Pension Appropriation (Fiscal 2006)	\$5.9 M

	Active	Retired
• Number of Members	691	540
• Total Payroll/Benefit	\$25.4 M	\$7.6 M
• Average Salary/Benefit	\$36,700	\$14,100
• Average Age	47	NA
• Average Service	11.4 years	NA

► INVESTMENT

Domestic Equity

- American Century Small Company Fund
- C.S. McKee, L.P.
- Wellington Trust Co.-CIF U.S. Core Equity Portfolio

International Equity

- INVESCO IRT International Equity Fund

Domestic Fixed Income

- Richmond Capital Management

Real Estate

- TA Realty Associates Fund VII

Consultant

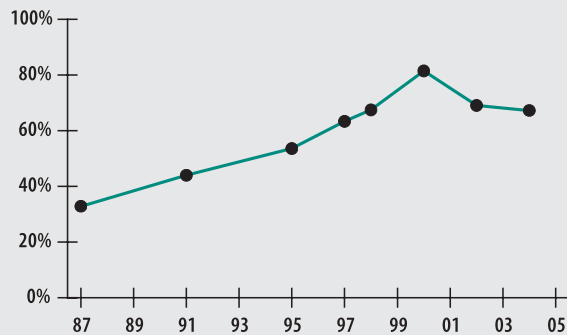
- Segal Advisors

Custodian

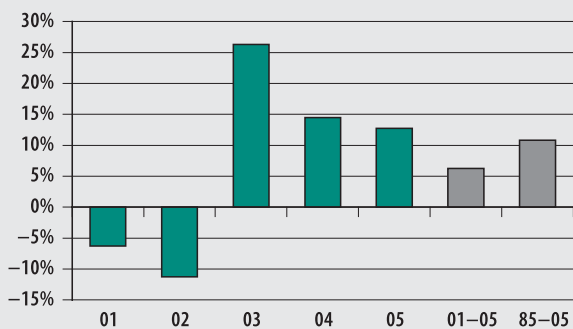
- State Street

► 2005 Return	6.40%
► 2005 Target	9.00%
► 2005 Market Value	\$73.1 M
► 2001-2005 (Annualized)	3.35%
► 1985-2005 (Annualized)	8.71%

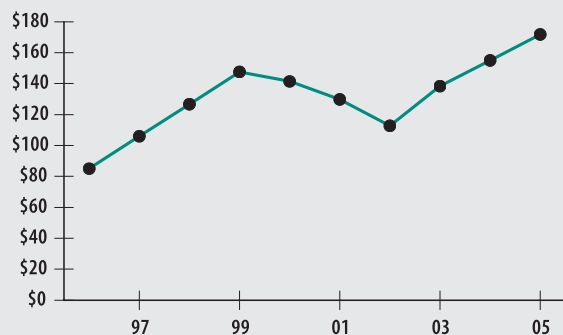
► Funded Ratio (1987-2005)



► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation

See page 121 for PRIT asset allocation chart.

► ACTUARIAL

• Funded Ratio	67.3%
• Date of Last Valuation	01/04
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$71.9 M
• Total Pension Appropriation (Fiscal 2006)	\$8.0 M

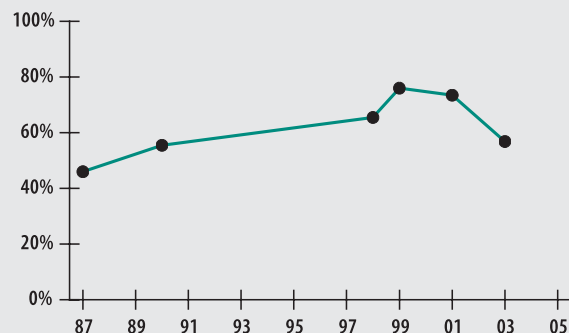
	Active	Retired
• Number of Members	1,100	810
• Total Payroll/Benefit	\$41.2 M	\$12.9 M
• Average Salary/Benefit	\$37,500	\$15,900
• Average Age	46	72
• Average Service	10.9 years	NA

► INVESTMENT

- PRIT

► 2005 Return	12.73%
► 2005 Target	8.30%
► 2005 Market Value	\$171.8 M
► 2001-2005 (Annualized)	6.28%
► 1985-2005 (Annualized)	10.84%

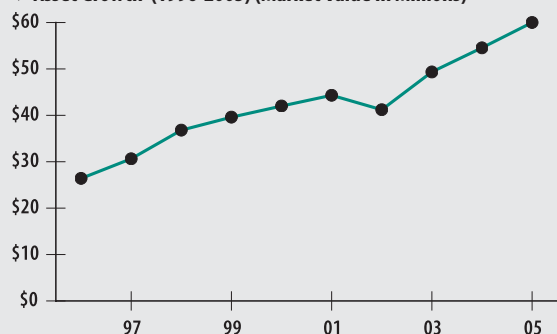
► **Funded Ratio (1987-2005)**



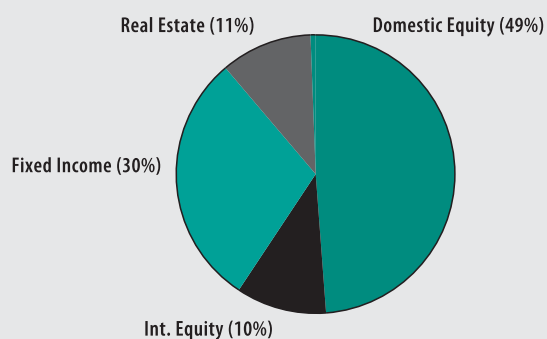
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	56.8%
• Date of Last Valuation	01/03
• Actuary	Stone
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$31.5 M
• Total Pension Appropriation (Fiscal 2006)	\$4.1 M

	Active	Retired
• Number of Members	1,155	386
• Total Payroll/Benefit	\$23.6 M	\$3.3 M
• Average Salary/Benefit	\$20,500	\$8,500
• Average Age	46	NA
• Average Service	7.7 years	NA

► **INVESTMENT**

Domestic Equity

- Daruma Asset Management, Inc.
- RhumbLine S&P 500 Pooled Index Fund
- Rothschild Asset Management, Inc.

International Equity

- PRIT

Domestic Fixed Income

- IR&M Core Bond Fund
- MetLife Grand Central Bond Fund

Real Estate

- PRIT
- Prudential Real Estate Investors (PRISA Fund)

Consultant

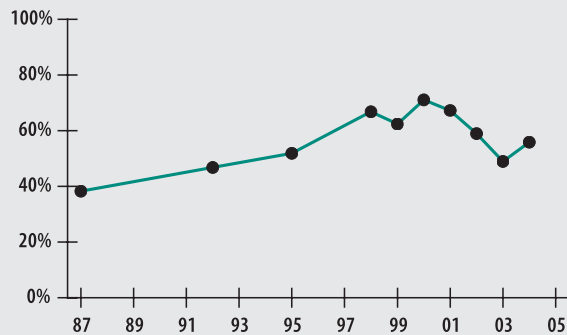
- Dahab Associates

Custodian

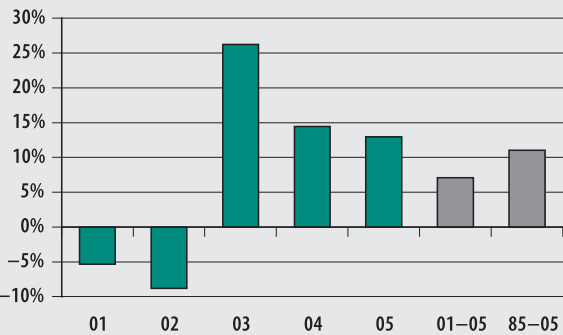
- State Street

► 2005 Return	7.70%
► 2005 Target	9.00%
► 2005 Market Value	\$60.0 M
► 2001-2005 (Annualized)	5.19%
► 1985-2005 (Annualized)	9.19%

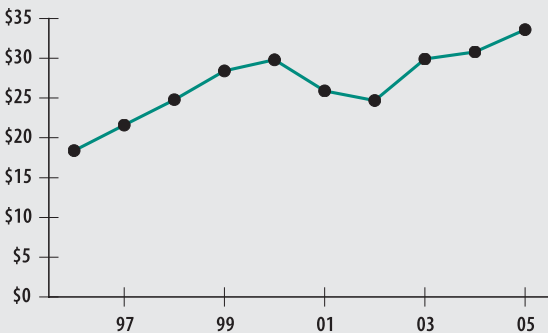
► **Funded Ratio (1987-2005)**



► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation**

See page 121 for PRIT asset allocation chart.

► **ACTUARIAL**

• Funded Ratio	59.8%
• Date of Last Valuation	01/05
• Actuary	Stone
• Assumed Rate of Return	8.00%
• Funding Schedule	3.55% Increasing
• Year Fully Funded	2024
• Unfunded Liability	\$22.1 M
• Total Pension Appropriation (Fiscal 2006)	\$2.3 M

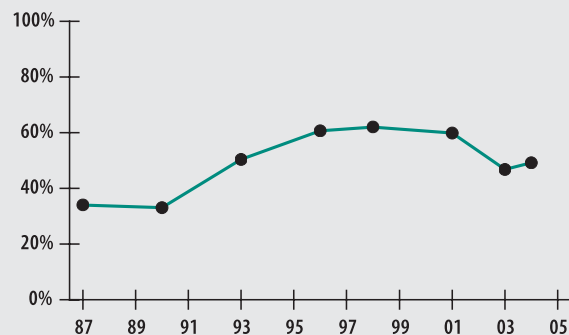
	Active	Retired
• Number of Members	296	235
• Total Payroll/Benefit	\$8.9 M	\$3.5 M
• Average Salary/Benefit	\$30,100	\$14,800
• Average Age	47	72
• Average Service	11.7 years	NA

► **INVESTMENT**

- PRIT

► 2005 Return	12.95%
► 2005 Target	8.00%
► 2005 Market Value	\$33.6 M
► 2001-2005 (Annualized)	7.09%
► 1985-2005 (Annualized)	11.04%

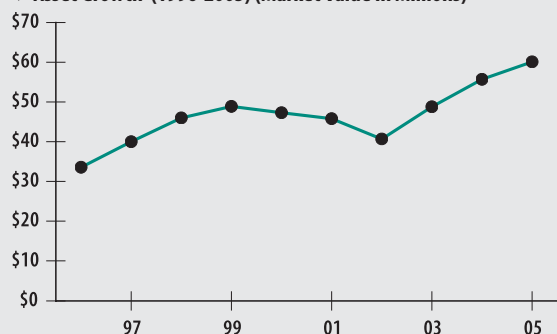
► **Funded Ratio (1987-2005)**



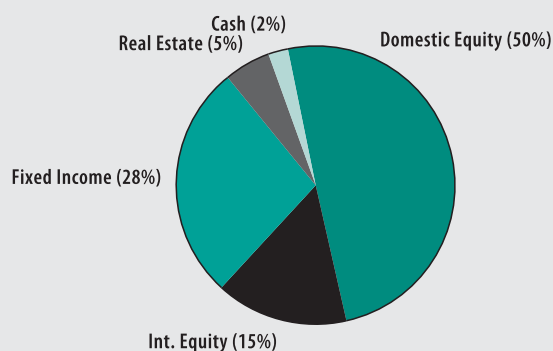
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	49.2%
• Date of Last Valuation	01/04
• Actuary	Stone
• Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$53.7 M
• Total Pension Appropriation (Fiscal 2006)	\$4.9 M

	Active	Retired
• Number of Members	540	404
• Total Payroll/Benefit	\$20.5 M	\$6.0 M
• Average Salary/Benefit	\$38,000	\$14,800
• Average Age	48	NA
• Average Service	11.5 years	NA

► **INVESTMENT**

Domestic Equity

- Freedom Capital Management Corporation
- INTECH Large Cap Growth Equity Fund
- Wellington Trust Co.-CIF Mid Cap Growth Portfolio

International Equity

- INVESCO IRT International Equity Fund

Domestic Fixed Income

- Atlantic Asset Management High Yield Total Return Trust
- PIMCO Total Return Fund II

Real Estate

- PRIT

Balanced Fund

- Mellon EB Asset Allocation Fund

Consultant

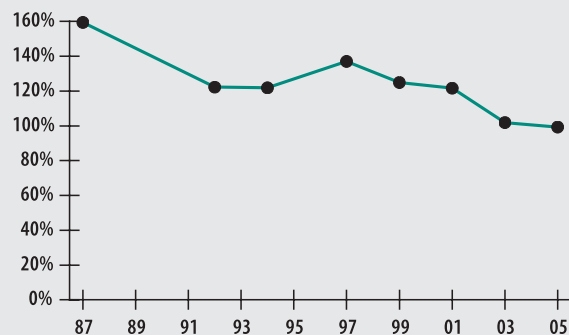
- New England Pension Consultants

Custodian

- Investors Bank & Trust

► 2005 Return	8.72%
► 2005 Target	8.30%
► 2005 Market Value	\$60.1 M
► 2001-2005 (Annualized)	5.96%
► 1985-2005 (Annualized)	10.42%

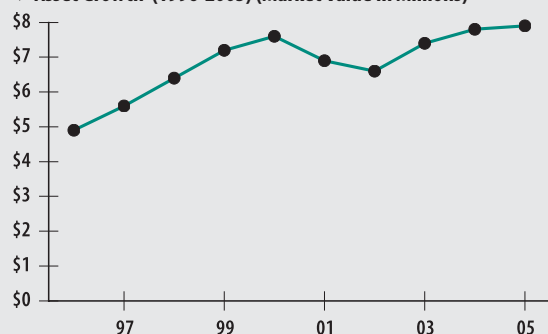
► **Funded Ratio (1987-2005)**



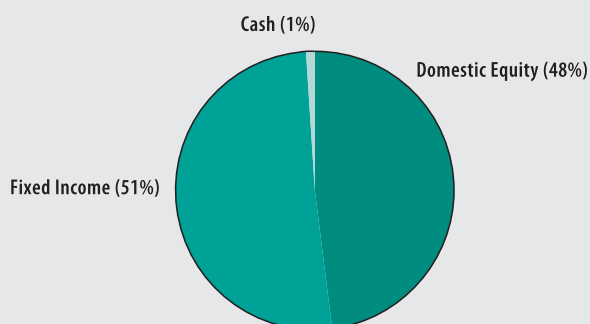
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	99.3%
• Date of Last Valuation	01/05
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	Normal Cost
• Year Fully Funded	NA
• Unfunded Liability	\$0.1 M
• Total Pension Appropriation (Fiscal 2006)	\$110,419

	Active	Retired
• Number of Members	45	18
• Total Payroll/Benefit	\$2.2 M	\$0.3 M
• Average Salary/Benefit	\$48,600	\$14,800
• Average Age	48	72
• Average Service	13.8 years	NA

► **INVESTMENT**

Domestic Equity

- Beacon Fiduciary Advisors, Inc.

Domestic Fixed Income

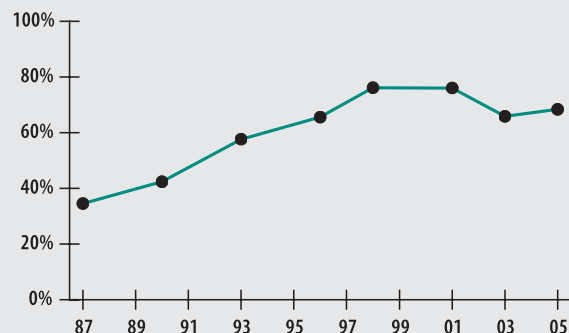
- Beacon Fiduciary Advisors, Inc.

Custodian

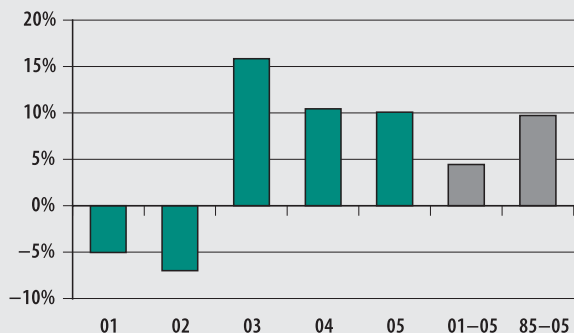
- Bank of New York

► 2005 Return	3.73%
► 2005 Target	8.00%
► 2005 Market Value	\$7.9 M
► 2001-2005 (Annualized)	2.25%
► 1985-2005 (Annualized)	7.87%

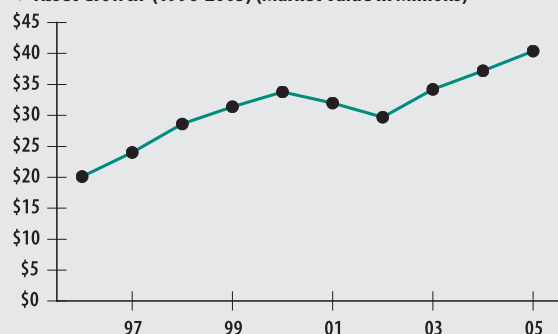
► Funded Ratio (1987-2005)



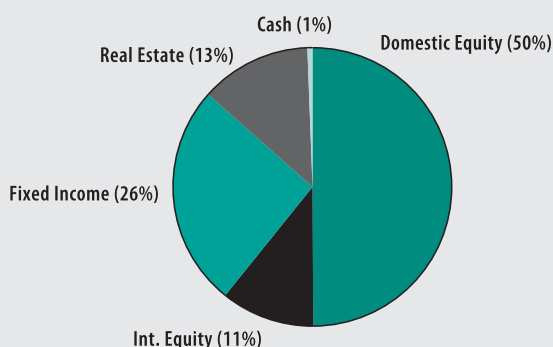
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	68.4%
• Date of Last Valuation	01/05
• Actuary	PERAC
• Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2026
• Unfunded Liability	\$18.1 M
• Total Pension Appropriation (Fiscal 2006)	\$2.2 M

	Active	Retired
• Number of Members	377	212
• Total Payroll/Benefit	\$11.7 M	\$2.9 M
• Average Salary/Benefit	\$31,000	\$13,600
• Average Age	46	71
• Average Service	10.9 years	NA

► INVESTMENT

Domestic Equity

- Smith Asset Management Group Small Cap Fund
- SSgA Russell 2000 Index SL Fund
- Victory Capital Management

International Equity

- SSgA Daily International Alpha Securities Lending Fund

Domestic Fixed Income

- Fidelity MTC Core Plus Fund

Real Estate

- PRIT
- UBS Real Estate Separate Account (RESA)

Consultant

- Segal Advisors

Custodian

- State Street

► 2005 Return	10.09%
► 2005 Target	8.75%
► 2005 Market Value	\$40.4 M
► 2001-2005 (Annualized)	4.46%
► 1985-2005 (Annualized)	9.74%

Board Members

Richard M. Theroux (Chairperson),
Patricia C. Donovan, Patrick O'Neil,
Laurel Placzek, Karl Schmaelzle

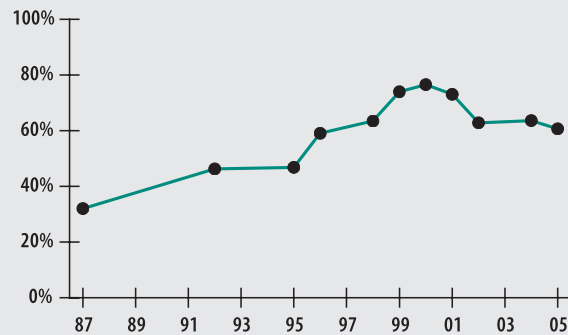
Board Administrator

Julianne Bartley

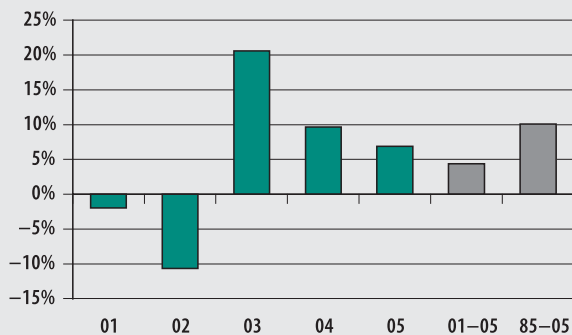
Board Meeting

Usually second to last business day of each month

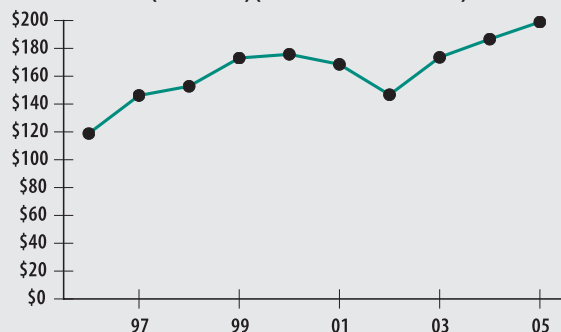
► **Funded Ratio (1987-2005)**



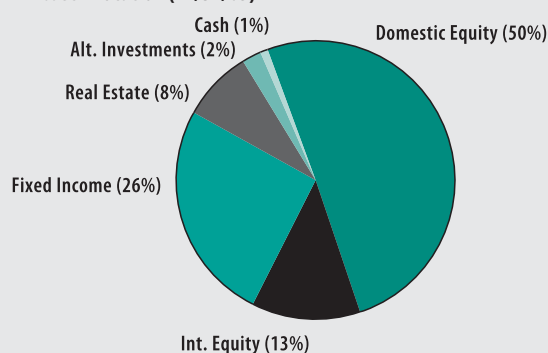
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	60.6%
• Date of Last Valuation	01/05
• Actuary	Buck
• Assumed Rate of Return	8.50%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2025
• Unfunded Liability	\$125.1 M
• Total Pension Appropriation (Fiscal 2006)	\$13.0 M

	Active	Retired
• Number of Members	2,606	1,447
• Total Payroll/Benefit	\$74.6 M	\$18.2 M
• Average Salary/Benefit	\$28,600	\$12,500
• Average Age	NA	72
• Average Service	NA	NA

► **INVESTMENT**

Domestic Equity

- Earnest Partners, LLC
- Freedom Capital Management Corporation
- Freedom Equity Style Fund
- Freedom Large Cap Growth Fund
- Freedom Large Cap Value Fund
- Freedom Style-Weighted Concentrated Fund

Custodian

- Investors Bank & Trust

International Equity

- Brandes International Equity Trust

Domestic Fixed Income

- Barrow, Hanley, Mewhinney & Strauss, Inc.
- Wellington Trust Co.-CIF II Core Bond Plus Portfolio

Real Estate

- Fidelity Real Estate Growth Fund, L.P.
- New Boston Institutional Fund, L.P. VI
- PRIT

Alternative Investments

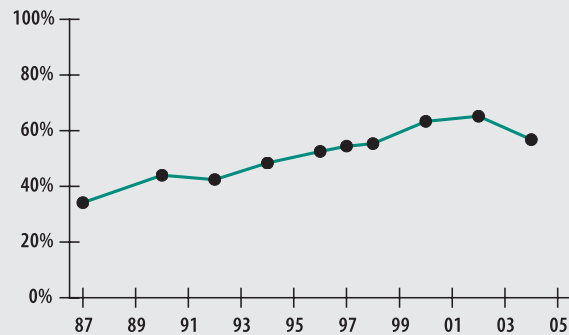
- INVESCO Non-U.S. Partnership Fund III, L.P.
- INVESCO U.S. Buyout & Expansion Capital Partnership Fund III, L.P.
- INVESCO Venture Partnership Fund III, L.P.
- Zero Stage Capital VII, L.P.

Consultant

- Segal Advisors

► 2005 Return	6.90%
► 2005 Target	8.50%
► 2005 Market Value	\$198.8 M
► 2001-2005 (Annualized)	4.37%
► 1985-2005 (Annualized)	10.08%

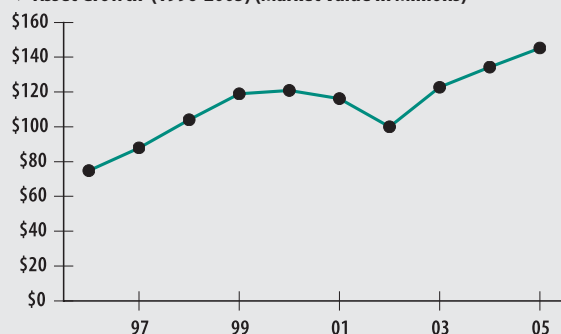
► Funded Ratio (1987-2005)



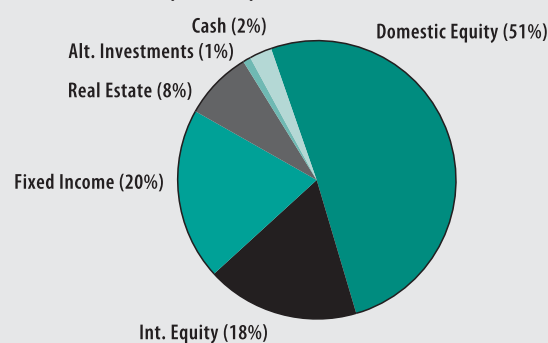
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	56.8%
• Date of Last Valuation	01/04
• Actuary	Segal
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$98.6 M
• Total Pension Appropriation (Fiscal 2006)	\$10.2 M

	Active	Retired
• Number of Members	2,648	1,002
• Total Payroll/Benefit	\$61.4 M	\$12.2 M
• Average Salary/Benefit	\$23,200	\$12,200
• Average Age	44	NA
• Average Service	9.3 years	NA

► INVESTMENT

Domestic Equity

- RhumbLine S&P 500 Pooled Index Fund
- Rice Hall James & Associates
- Wellington Trust Co.-CIF Research Equity Portfolio

International Equity

- Freedom International Fund
- MFS Institutional International Equity Fund

Domestic Fixed Income

- McDonnell Investment Management, LLC

International Fixed Income

- Colchester Global Bond Fund

Real Estate

- Intercontinental Real Estate Investment Fund III, LLC
- L&B Property Fund IV
- PRIT
- Sentinel Realty Partners II

Alternative Investments

- Ascent Venture Partners III & IV, L.P.
- PRIT

Consultant

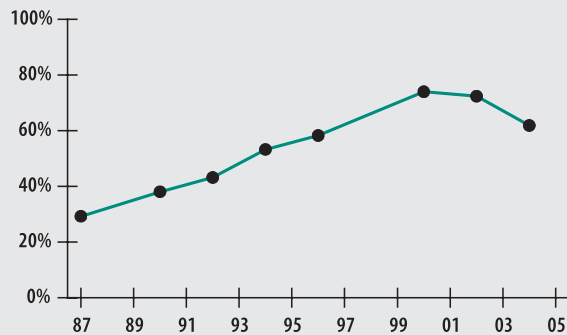
- New England Pension Consultants

Custodian

- State Street

► 2005 Return	7.94%
► 2005 Target	8.60%
► 2005 Market Value	\$145.3 M
► 2001-2005 (Annualized)	3.89%
► 1985-2005 (Annualized)	9.41%

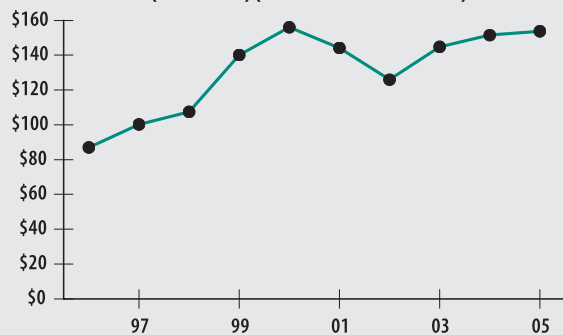
► Funded Ratio (1987-2005)



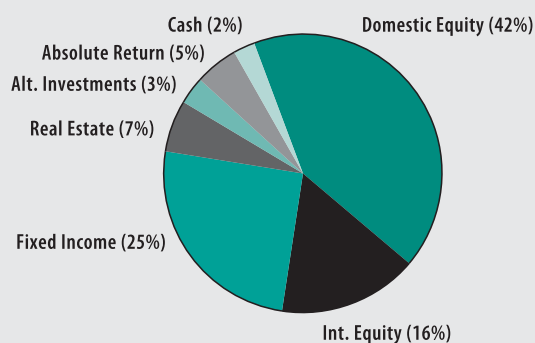
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	61.9%
• Date of Last Valuation	01/04
• Actuary	Segal
• Assumed Rate of Return	8.50%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$92.2 M
• Total Pension Appropriation (Fiscal 2006)	\$8.4 M

	Active	Retired
• Number of Members	936	1,204
• Total Payroll/Benefit	\$32.0 M	\$18.5 M
• Average Salary/Benefit	\$34,200	\$15,300
• Average Age	45	NA
• Average Service	9.9 years	NA

► INVESTMENT

Domestic Equity

- Fisher Investments, Inc.
- Hutchens Investment Management, Inc.
- Independence Investment, LLC
- Navellier & Associates, Inc.
- RhumbLine S&P Mid Cap Growth Index

International Equity

- INVESCO IRT International Equity Fund
- MFS Institutional International Equity Fund
- Wells Capital Management Emerging Markets Fund

Domestic Fixed Income

- Fox Asset Management
- Hartford Core Fixed Income Fund
- Seix High Yield Fund – Class I Shares

International Fixed Income

- RiverSource Investments, LLC

Real Estate

- BlackRock Apartment Value Fund II & III, L.P.
- Geometry Real Estate LLC
- GFP Institutional Global Timber Investors VI Ltd.
- Intercontinental Real Estate Investment Fund III, LLC
- L&B Property Fund IV
- GFP-Timberland III L.L.C.
- GFP-World Timberfund L.L.C.

Alternative Investments

- Crescent Capital
- First America Asia Fund I
- New England Growth Fund I, L.P.
- North Bridge Venture Partners I & II, L.P.
- Novus Ventures II, L.P.
- Thomas H. Lee Equity Fund V, L.P.

Absolute Return

- PRIT

Commission Recapture

- Rochdale Securities Corporation
- Trading Partners

Consultant

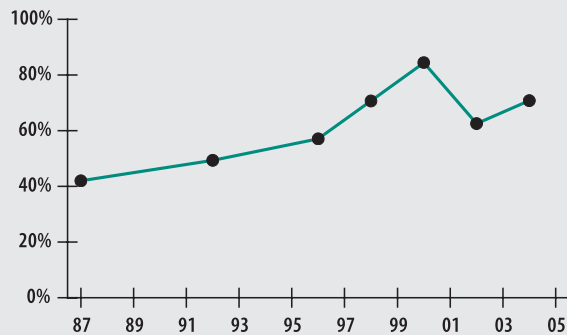
- Wainwright Investment Counsel, LLC

Custodian

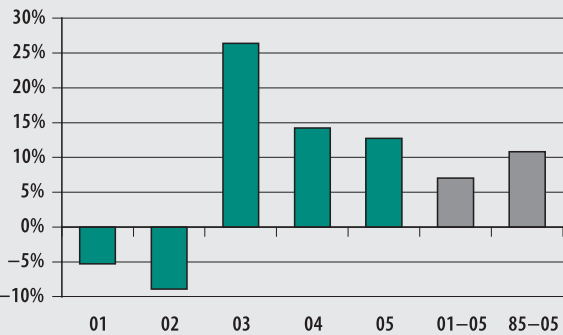
- State Street

► 2005 Return	8.21%
► 2005 Target	8.50%
► 2005 Market Value	\$153.8 M
► 2001-2005 (Annualized)	6.51%
► 1985-2005 (Annualized)	11.70%

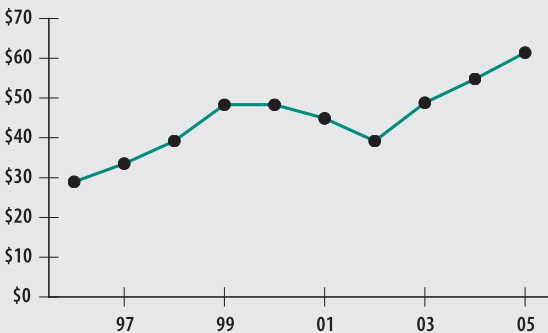
► Funded Ratio (1987-2005)



► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation

See page 121 for PRIT asset allocation chart.

► ACTUARIAL

• Funded Ratio	70.8%
• Date of Last Valuation	01/04
• Actuary	Mellon
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$22.0 M
• Total Pension Appropriation (Fiscal 2006)	\$2.8 M

	Active	Retired
• Number of Members	490	246
• Total Payroll/Benefit	\$16.7 M	\$4.3 M
• Average Salary/Benefit	\$34,000	\$17,600
• Average Age	NA	72
• Average Service	NA	NA

► INVESTMENT

- PRIT

► 2005 Return	12.75%
► 2005 Target	8.30%
► 2005 Market Value	\$61.4 M
► 2001-2005 (Annualized)	7.03%
► 1985-2005 (Annualized)	10.81%

Board Members

Russell J. McNiff (Chairperson),
Sal J. Canata, III, John T. McCarthy,
Daniel R. Owens, Brian G. Smith

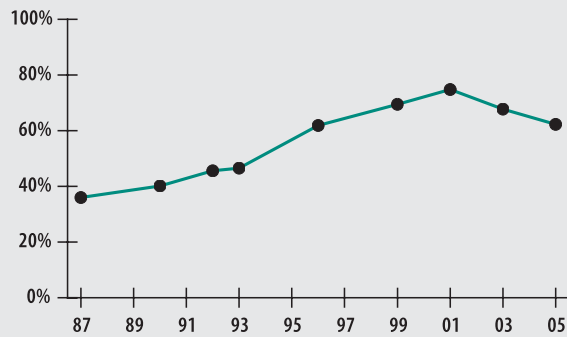
Board Administrator

Daniel R. Owens

Board Meeting

Second Thursday of each month at 3:00 PM

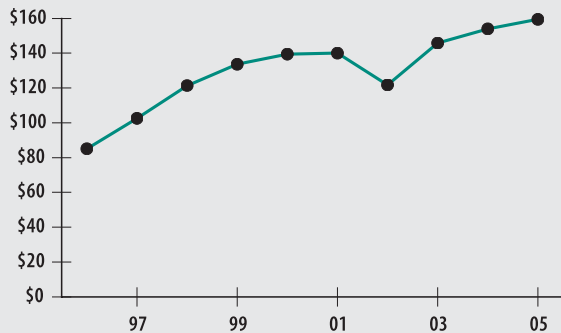
► Funded Ratio (1987-2005)



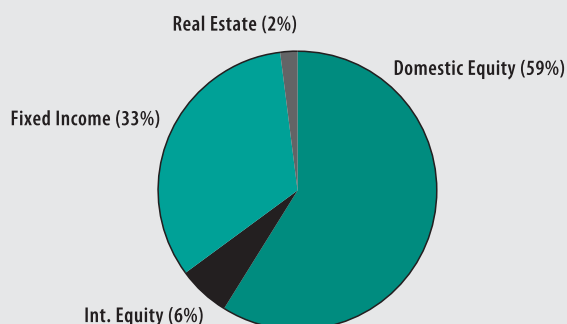
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	62.3%
• Date of Last Valuation	01/05
• Actuary	Segal
• Assumed Rate of Return	8.25%
• Funding Schedule	Level
• Year Fully Funded	2025
• Unfunded Liability	\$93.7 M
• Total Pension Appropriation (Fiscal 2006)	\$10.1 M

	Active	Retired
• Number of Members	1,319	947
• Total Payroll/Benefit	\$47.5 M	\$14.0 M
• Average Salary/Benefit	\$36,000	\$14,800
• Average Age	44	72
• Average Service	10.4 years	NA

► INVESTMENT

Domestic Equity

- Boston Company Premier Value Equity Fund
- Freedom Equity Style Fund
- Freedom Large Cap Growth Fund
- Freedom Large Cap Value Fund
- Freedom Style-Weighted Concentrated Fund
- SSGA Russell 2000 Index SL Fund

International Equity

- INVESCO IRT International Equity Fund

Domestic Fixed Income

- Freedom Core Plus Fixed Income Fund
- Putnam High Yield Managed Trust

Real Estate

- Fidelity Real Estate Growth Fund, L.P.
- Intercontinental Real Estate Investment Fund III, LLC
- TA Realty Associates Fund VII

Consultant

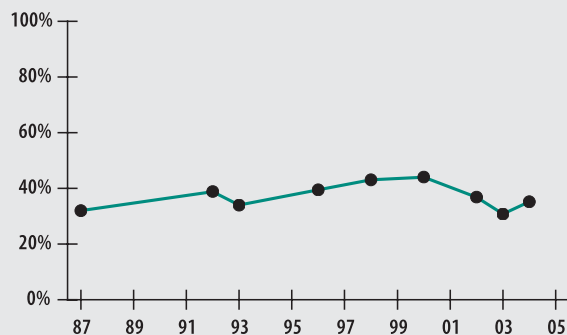
- Segal Advisors

Custodian

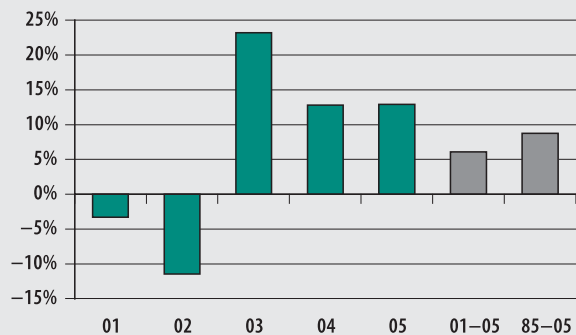
- Investors Bank & Trust

► 2005 Return	6.21%
► 2005 Target	9.19%
► 2005 Market Value	\$159.4 M
► 2001-2005 (Annualized)	5.04%
► 1985-2005 (Annualized)	10.76%

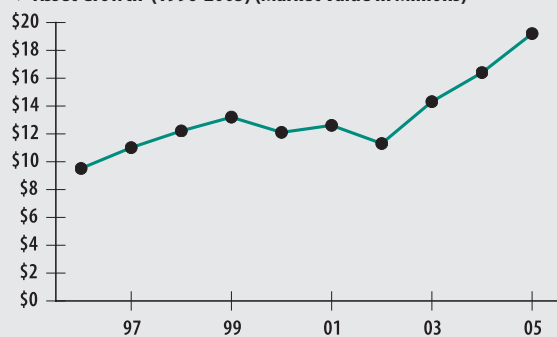
► Funded Ratio (1987-2005)



► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation

See page 121 for PRIT asset allocation chart.

► ACTUARIAL

• Funded Ratio	35.2%
• Date of Last Valuation	01/04
• Actuary	Stone
• Assumed Rate of Return	7.75%
• Funding Schedule	3.25% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$26.3 M
• Total Pension Appropriation (Fiscal 2006)	\$2.6 M

	Active	Retired
• Number of Members	165	132
• Total Payroll/Benefit	\$7.4 M	\$2.2 M
• Average Salary/Benefit	\$45,100	\$16,500
• Average Age	47	NA
• Average Service	11.2 years	NA

► INVESTMENT

- PRIT

► 2005 Return	12.93%
► 2005 Target	8.30%
► 2005 Market Value	\$19.2 M
► 2001-2005 (Annualized)	6.09%
► 1985-2005 (Annualized)	8.76%

Lawrence

354 Merrimack Street
Suite 302
Lawrence, MA 01843
Phone 978-794-5836
Fax 978-683-5894

Board Members

John A. Neilon, Jr., (Chairperson),
William Bateman, Lawrence LeFebvre,
Nancy B. Ross, Lynn Tran

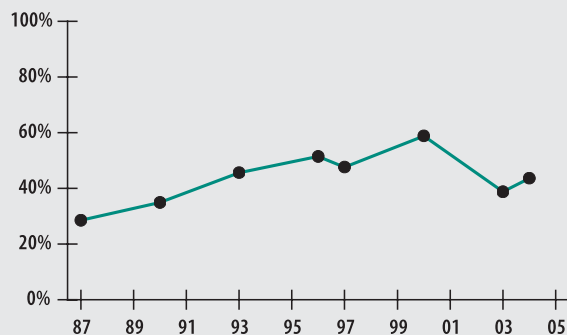
Board Administrator

Diane Cockroft

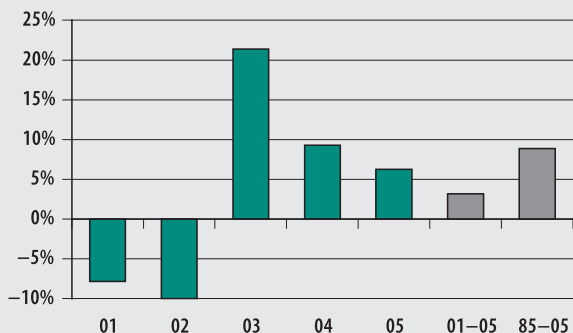
Board Meeting

Varies

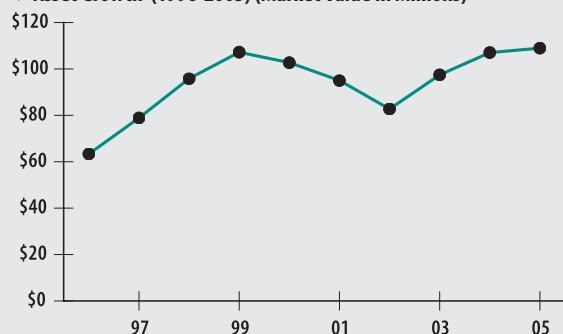
► Funded Ratio (1987-2005)



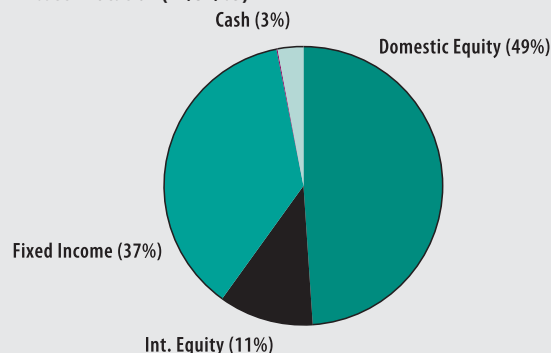
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	43.7%
• Date of Last Valuation	01/04
• Actuary	Stone
• Assumed Rate of Return	8.00%
• Funding Schedule	4.0% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$133.2 M
• Total Pension Appropriation (Fiscal 2006)	\$12.3 M

	Active	Retired
• Number of Members	1,569	949
• Total Payroll/Benefit	\$50.4 M	\$15.3 M
• Average Salary/Benefit	\$32,100	\$16,100
• Average Age	42	NA
• Average Service	8.1 years	NA

► INVESTMENT

Domestic Equity

- Freedom Capital Management Corporation
- INTECH Institutional Large Cap Growth Fund
- RhumbLine S&P 500 Pooled Index Fund
- Systematic Financial Management, L.P.

International Equity

- HIS International Growth Fund

Domestic Fixed Income

- Hartford Institutional Trust High Quality High Yield Fund
- National Investment Services, Inc.
- Wellington Trust Co.-CIF II Core Bond Plus Portfolio

International Fixed Income

- SSgA Passive World Government Bond Ex-US Index SL Common Trust

Alternative Investments

- PRIT

Commission Recapture

- Lynch, Jones & Ryan
- State Street Global Markets

Consultant

- New England Pension Consultants

Custodian

- State Street

► 2005 Return	6.25%
► 2005 Target	8.00%
► 2005 Market Value	\$108.9 M
► 2001-2005 (Annualized)	3.19%
► 1985-2005 (Annualized)	8.86%

Board Members

John J. Richard (Chairperson), Paul R. Doig,
David R. LaPlante, Aldo J. Mazzaferro,
John F. Picone

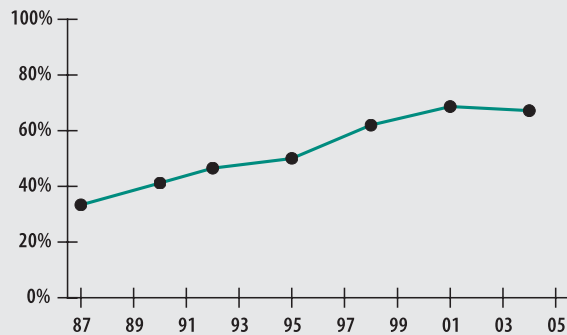
Board Administrator

Anna Hamblin and A. Nancy Person

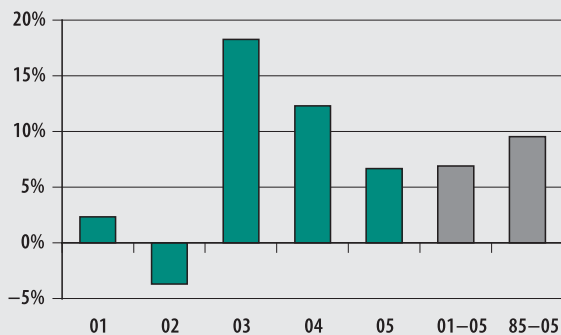
Board Meeting

Generally the last working day in each month

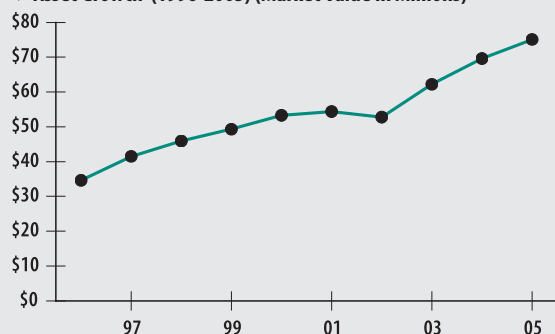
► **Funded Ratio (1987-2005)**



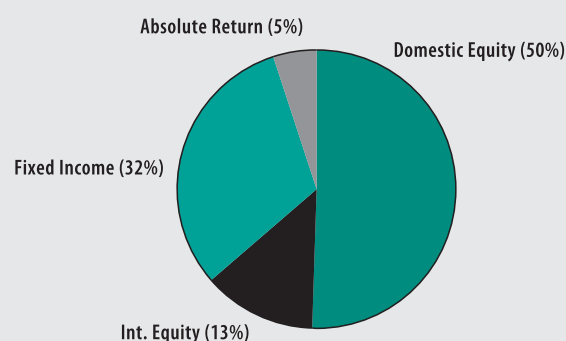
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	67.2%
• Date of Last Valuation	01/04
• Actuary	Stone
• Assumed Rate of Return	8.00%
• Funding Schedule	2.5% Increasing
• Year Fully Funded	2017
• Unfunded Liability	\$30.3 M
• Total Pension Appropriation (Fiscal 2006)	\$4.6 M

	Active	Retired
• Number of Members	613	369
• Total Payroll/Benefit	\$20.7 M	\$4.9 M
• Average Salary/Benefit	\$33,700	\$13,300
• Average Age	45	NA
• Average Service	10.2 years	NA

► **INVESTMENT**

Domestic Equity

- MFS Institutional Large Cap Value Fund
- Union Labor Life Small Cap Equity Account

International Equity

- Templeton Foreign Equity Series Fund

Domestic Fixed Income

- PRIT

Absolute Return

- PRIT

Consultant

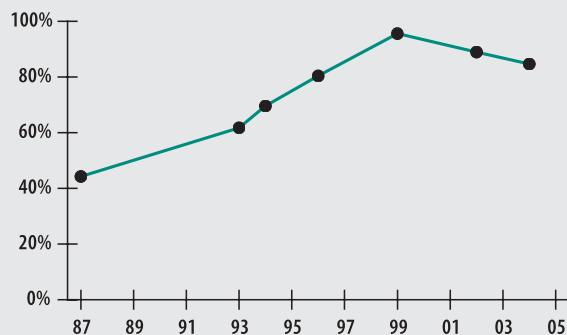
- Advest Custom Consulting

Custodian

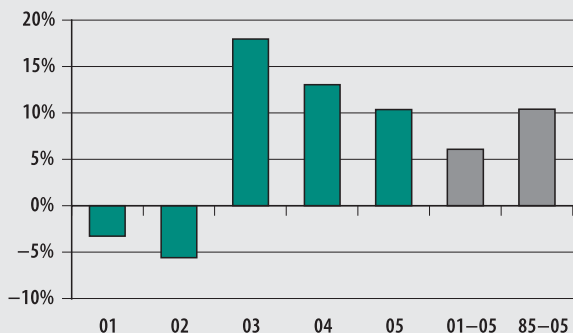
- Investors Bank & Trust

► 2005 Return	6.67%
► 2005 Target	8.81%
► 2005 Market Value	\$75.1 M
► 2001-2005 (Annualized)	6.91%
► 1985-2005 (Annualized)	9.54%

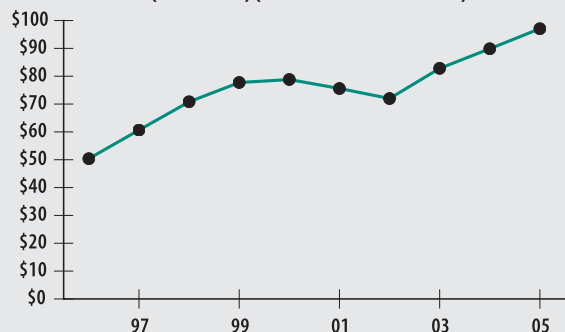
► **Funded Ratio (1987-2005)**



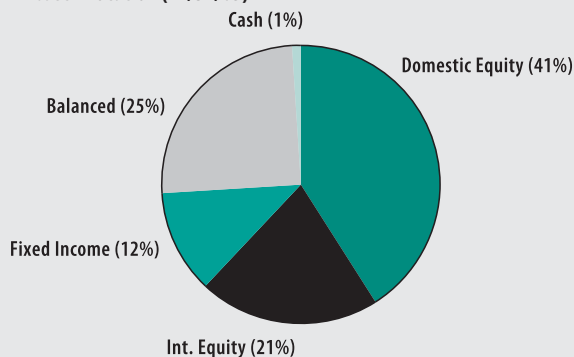
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	84.7%
• Date of Last Valuation	01/04
• Actuary	Mellon
• Assumed Rate of Return	8.00%
• Funding Schedule	Level
• Year Fully Funded	2015
• Unfunded Liability	\$15.0 M
• Total Pension Appropriation (Fiscal 2006)	\$3.3 M

	Active	Retired
• Number of Members	573	389
• Total Payroll/Benefit	\$20.5 M	\$5.7 M
• Average Salary/Benefit	\$35,700	\$14,600
• Average Age	46	NA
• Average Service	10.1 years	NA

► **INVESTMENT**

Domestic Equity

- Earnest Partners, LLC
- Fidelity Contra Fund
- Hartford Capital Appreciation HLS Fund
- Wellington Trust Co.-CIF Emerging Companies Fund

International Equity

- Acadian International Equity Fund
- Julius Baer International Equity Fund II
- Wellington Trust Co.-CIF International Research Equity Portfolio
- Wellington Trust Co.-CIF Pacific Basin Fund

Domestic Fixed Income

- GoldenTree High Yield Value Fund
- Wellington Trust Co.-CIF II Intermediate Bond Portfolio
- Wellington Trust Co.-CIF Treasury Inflation-Protected Securities (TIPS) Fund

Balanced Fund

- PIMCO All-Asset Fund
- Wellington Trust Co.-CIF Opportunistic Investment Portfolio

Consultant

- Meketa Investment Group

Custodian

- State Street

► 2005 Return	10.37%
► 2005 Target	8.00%
► 2005 Market Value	\$97.0 M
► 2001-2005 (Annualized)	6.10%
► 1985-2005 (Annualized)	10.40%

Board Members

James T. Kennedy (Chairperson),
Michael G. Brennan, Walter Fernandez,
Joseph Mahoney, James Quealy

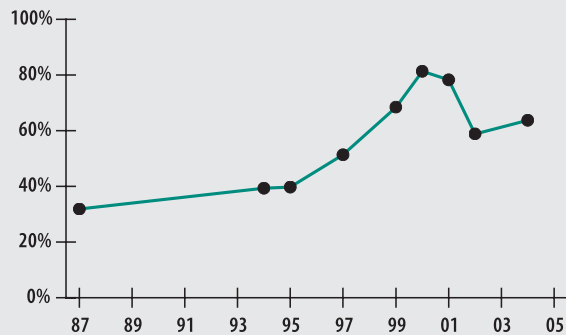
Board Administrator

Rosemary Sullivan

Board Meeting

Varies

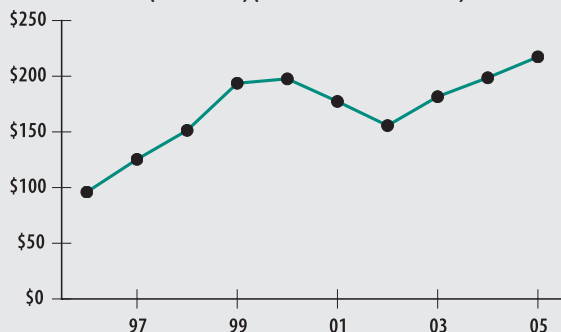
► **Funded Ratio (1987-2005)**



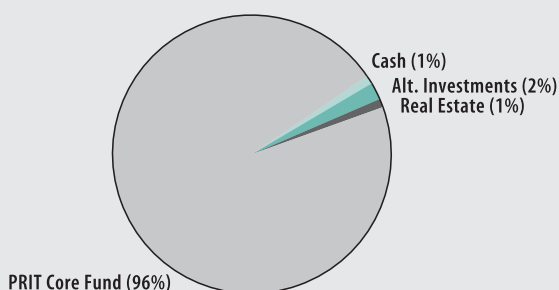
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	63.8%
• Date of Last Valuation	01/04
• Actuary	Mellon
• Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2022
• Unfunded Liability	\$120.5 M
• Total Pension Appropriation (Fiscal 2006)	\$13.6 M

	Active	Retired
• Number of Members	1,882	1,150
• Total Payroll/Benefit	\$71.0 M	\$21.7 M
• Average Salary/Benefit	\$37,700	\$18,900
• Average Age	45	NA
• Average Service	10.1 years	NA

► **INVESTMENT**

Real Estate

- Heitman Real Estate Fund V
- Intercontinental Real Estate Investment Fund III, LLC
- L&B Property Fund IV
- SSgA Tuckerman, Multi-Family Development Program II
- Sentinel Realty Partners IV & V

Alternative Investments

- Ascent Venture Partners II, III, IV, L.P.
- Boston Millennia Partners, L.P.
- Boston Millennia Partners II, L.P.
- Charles River Partnership VI-A, VII, VIII, IX, X, XI
- DN Partners, L.P.
- New England Growth Fund I & II, L.P.
- North Atlantic Venture Fund II & III
- Novus Ventures II, L.P.
- Senior Tour Players Fund I

Core

- PRIT

Distribution Manager

- QCI Asset Management

Consultant

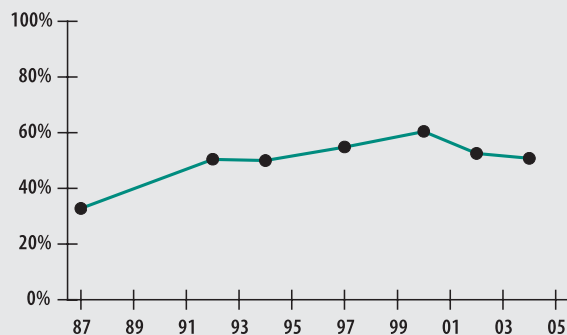
- Wainwright Investment Counsel, LLC

Custodian

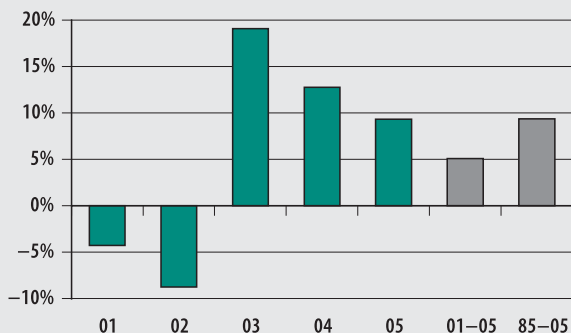
- Investors Bank & Trust

► 2005 Return	12.02%
► 2005 Target	8.30%
► 2005 Market Value	\$217.3 M
► 2001-2005 (Annualized)	3.75%
► 1985-2005 (Annualized)	10.65%

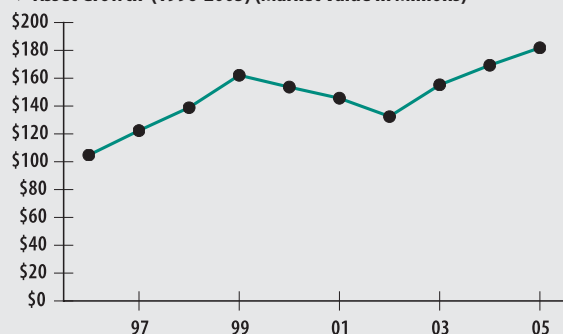
► **Funded Ratio (1987-2005)**



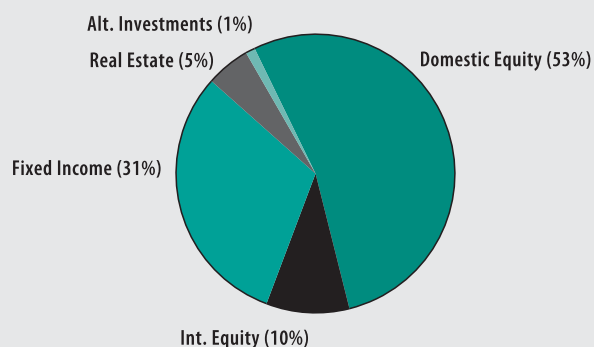
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	50.8%
• Date of Last Valuation	01/04
• Actuary	PERAC
• Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$172.8 M
• Total Pension Appropriation (Fiscal 2006)	\$17.5 M

	Active	Retired
• Number of Members	1,533	1,240
• Total Payroll/Benefit	\$63.1 M	\$20.5 M
• Average Salary/Benefit	\$41,100	\$16,500
• Average Age	48	74
• Average Service	13.0 years	NA

► **INVESTMENT**

Domestic Equity

- Chase Investment Counsel Corporation
- Copper Rock Capital Partners, LLC
- Earnest Partners, LLC
- Freedom Capital Management Corporation

International Equity

- Boston Company International Equity Fund
- Jarislowsky Fraser International Equity Fund

Domestic Fixed Income

- de Burlo Group
- PIMCO Total Return Fund

Real Estate

- MetLife Tower Fund

Alternative Investments

- Ascent Venture Partners III & IV, L.P.
- Merrill Lynch Diversified Private Equity Program III
- Novo Vita, L.P.

Consultant

- Segal Advisors

Custodian

- Investors Bank & Trust

► 2005 Return	9.35%
► 2005 Target	9.25%
► 2005 Market Value	\$181.7 M
► 2001-2005 (Annualized)	5.11%
► 1985-2005 (Annualized)	9.38%

Board Members

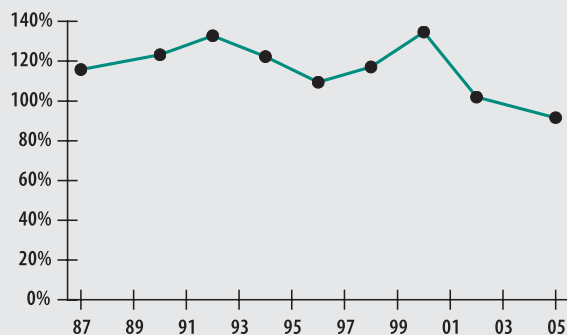
Andris Silins (Chairperson),
Michael Fitzmaurice, Paul T. Hynes,
Christopher Johnson, Antonio Torres

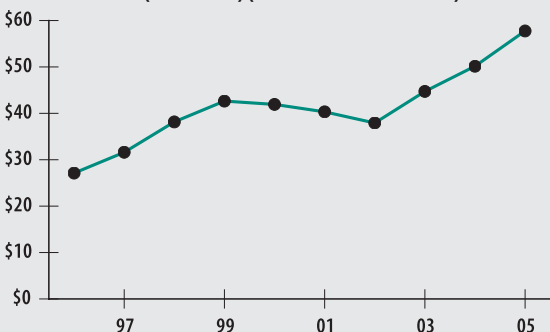
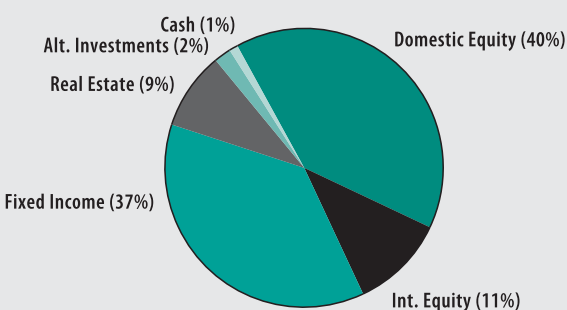
Board Administrator

John C. Doherty

Board Meeting

Second Tuesday of each month at 1:30 pm

Funded Ratio (1987-2005)

Investment Return (2001-2005, 5 Year and 21 Year Averages)

Asset Growth (1996-2005) (Market Value in Millions)

Asset Allocation (12/31/05)

ACTUARIAL

• Funded Ratio	91.6%
• Date of Last Valuation	01/05
• Actuary	Hancock
• Assumed Rate of Return	8.00%
• Funding Schedule	Normal Cost
• Year Fully Funded	NA
• Unfunded Liability	\$4.6 M
• Total Pension Appropriation (Fiscal 2006)	\$5.8 M

	Active	Retired
• Number of Members	315	78
• Total Payroll/Benefit	\$22.7 M	\$2.0 M
• Average Salary/Benefit	\$72,000	\$25,500
• Average Age	44	67
• Average Service	8.5 years	NA

INVESTMENT
Domestic Equity

- Independence Small Cap Fund
- SSgA Russell 1000 Value Index Fund
- Voyager Asset Management, Inc.

International Equity

- INVESCO IRT International Equity Fund

Domestic Fixed Income

- MacKay Shields Statutory Trust High Yield Series
- McDonnell Investment Management, LLC

Real Estate

- Angelo Gordon Realty Fund IV, L.P.
- Clarion Lion Properties Fund

Alternative Investments

- Ascent Venture Partners II, III, IV, L.P.

Consultant

- Meketa Investment Group

Custodian

- Investors Bank & Trust

► 2005 Return	5.22%
► 2005 Target	7.90%
► 2005 Market Value	\$57.7 M
► 2001-2005 (Annualized)	4.64%
► 1985-2005 (Annualized)	8.58%

Board Members

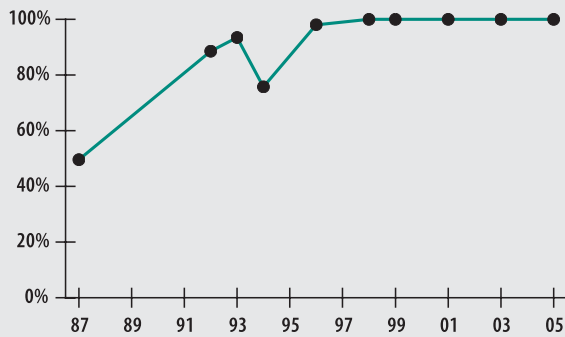
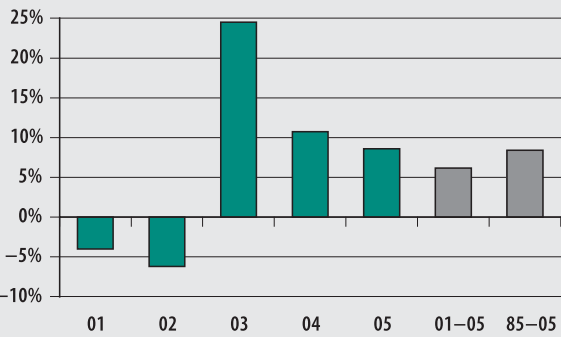
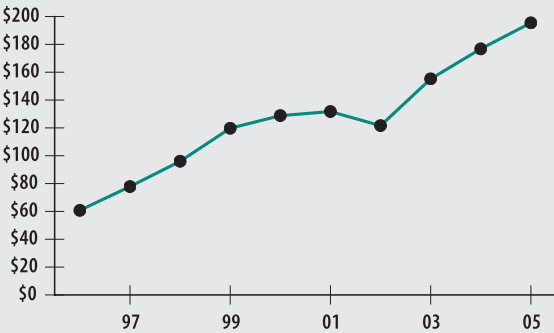
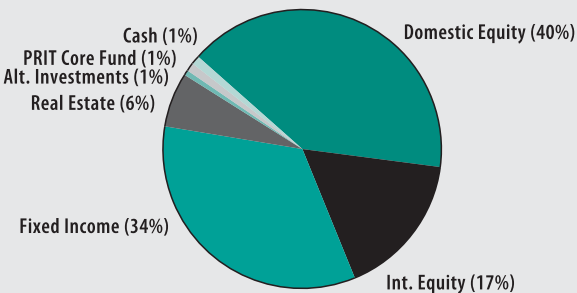
James M. Fleming, Esq.,
Joseph A. MacRitchie, Esq.,
Joseph McCann

Board Administrator

Brian M. Leahy

Board Meeting

Varies

Funded Ratio (1987-2005)

Investment Return (2001-2005, 5 Year and 21 Year Averages)

Asset Growth (1996-2005) (Market Value in Millions)

Asset Allocation (12/31/05)

ACTUARIAL

• Funded Ratio	100.0%
• Date of Last Valuation	01/05
• Actuary	Buck
• Assumed Rate of Return	8.00%
• Funding Schedule	Fully funded
• Year Fully Funded	NA
• Unfunded Liability	\$0.0 M
• Total Pension Appropriation (Fiscal 2006)	\$4.0 M

	Active	Retired
• Number of Members	1,150	255
• Total Payroll/Benefit	\$65.8 M	\$4.8 M
• Average Salary/Benefit	\$57,200	\$18,800
• Average Age	46	NA
• Average Service	12.4 years	NA

INVESTMENT
Domestic Equity

- Boston Partners Asset Management, L.P.
- Loomis Sayles Small Company Growth Fund
- MFS Institutional Advisors, Inc.
- Putnam Core Growth Equity Fund
- RhumbLine S&P 500 Pooled Index Fund

International Equity

- Boston Company International Core Equity Fund
- Brandywine International Equity Value Fund

Domestic Fixed Income

- INVESCO, Inc.
- Loomis Sayles Fixed Income Fund

Real Estate

- BlackRock Apartment Value Fund II & III, L.P.
- Intercontinental Real Estate Investment Fund IV, LLC
- Carey Corporate Properties Associates Fund 15
- L&B Realty Investment Program
- Morgan Stanley Prime Property Fund

Alternative Investments

- Ascent Venture Partners II & IV, L.P.
- Boston Capital Ventures III
- Concord Partners III, L.P.
- INVESCO Venture Partnership Fund IV, L.P.

Core

- PRIT

Commission Recapture

- Abel/Noser Corporation
- Lynch, Jones & Ryan

Consultant

- New England Pension Consultants

Custodian

- State Street

► 2005 Return	8.60%
► 2005 Target	8.30%
► 2005 Market Value	\$195.4 M
► 2001-2005 (Annualized)	6.17%
► 1985-2005 (Annualized)	8.43%

Malden

Government Center, Room 222
200 Pleasant Street
Malden, MA 02148
Phone 781-397-7086
Fax 781-397-7358

Board Members

Domenic Fermano (Chairperson),
Warren Atkinson, Jr., Joanne Croken,
Douglas Eisner, Ronald B. Hogan

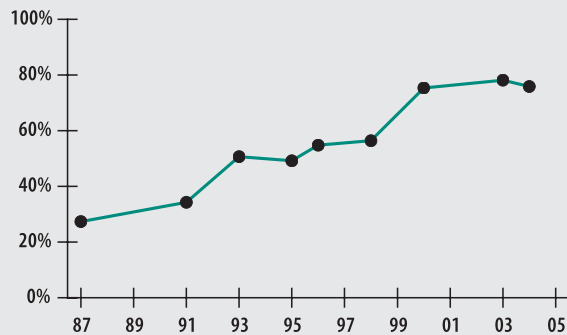
Board Administrator

Kevin Morrison

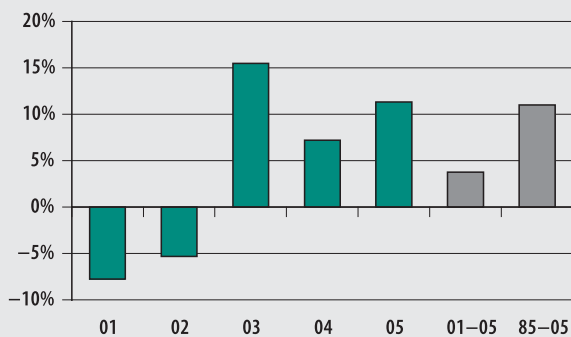
Board Meeting

Third Wednesday of each month

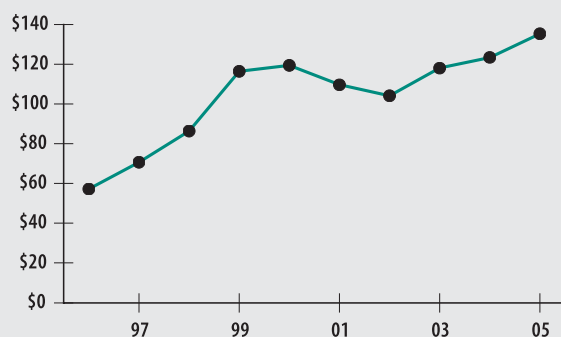
► Funded Ratio (1987-2005)



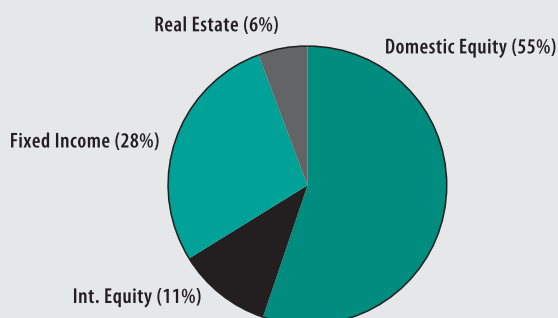
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	75.9%
• Date of Last Valuation	01/04
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	Level
• Year Fully Funded	2024
• Unfunded Liability	\$42.9 M
• Total Pension Appropriation (Fiscal 2006)	\$7.6 M

	Active	Retired
• Number of Members	844	666
• Total Payroll/Benefit	\$30.6 M	\$10.7 M
• Average Salary/Benefit	\$36,200	\$16,100
• Average Age	47	73
• Average Service	11.3 years	NA

► INVESTMENT

Total Portfolio

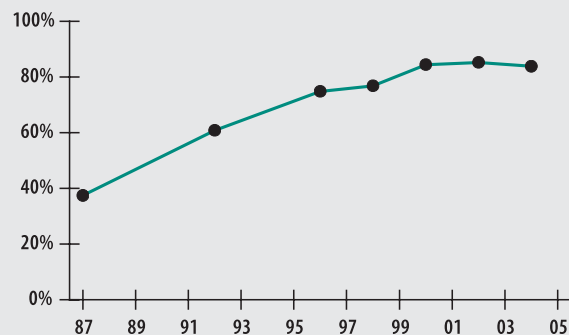
- de Burlo Group

Custodian

- State Street

► 2005 Return	11.35%
► 2005 Target	8.00%
► 2005 Market Value	\$135.3 M
► 2001-2005 (Annualized)	3.79%
► 1985-2005 (Annualized)	11.00%

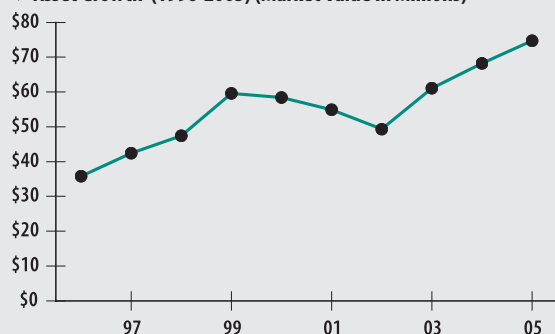
► Funded Ratio (1987-2005)



► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation

See page 121 for PRIT asset allocation chart.

► ACTUARIAL

• Funded Ratio	83.9%
• Date of Last Valuation	01/04
• Actuary	Mellon
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$12.4 M
• Total Pension Appropriation (Fiscal 2006)	\$2.1 M

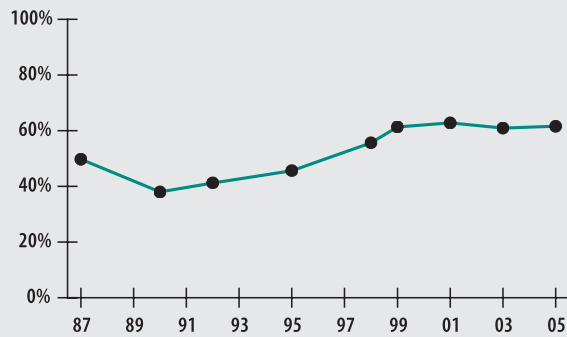
	Active	Retired
• Number of Members	384	321
• Total Payroll/Benefit	\$14.0 M	\$4.4 M
• Average Salary/Benefit	\$36,400	\$13,800
• Average Age	NA	75
• Average Service	NA	NA

► INVESTMENT

- PRIT

► 2005 Return	12.75%
► 2005 Target	8.30%
► 2005 Market Value	\$74.7 M
► 2001-2005 (Annualized)	7.08%
► 1985-2005 (Annualized)	10.74%

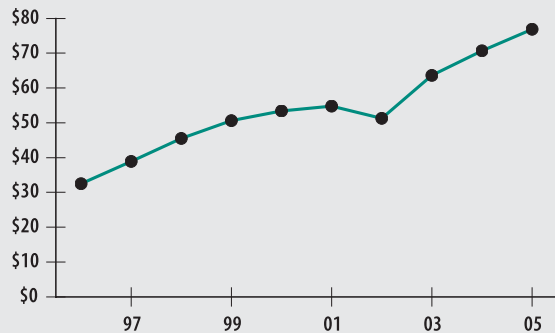
► **Funded Ratio (1987-2005)**



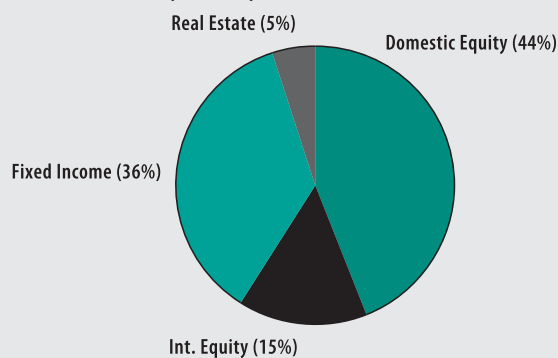
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	61.6%
• Date of Last Valuation	01/05
• Actuary	Buck
• Assumed Rate of Return	8.00%
• Funding Schedule	2.5% Increasing
• Year Fully Funded	2023
• Unfunded Liability	\$45.9 M
• Total Pension Appropriation (Fiscal 2006)	\$5.5 M

	Active	Retired
• Number of Members	701	321
• Total Payroll/Benefit	\$25.7 M	\$6.1 M
• Average Salary/Benefit	\$36,700	\$19,000
• Average Age	NA	72
• Average Service	NA	NA

► **INVESTMENT**

Domestic Equity

- Batterymarch US Small Cap Equity Growth Fund
- Freedom Capital Management Corporation
- RhumbLine S&P 500 Pooled Index Fund

International Equity

- Boston Company International Equity Fund

Domestic Fixed Income

- CMG High Yield Fund
- SSgA Passive Bond Market Index SL Fund
- SSgA Treasury Inflation Protected Securities (TIPS) Fund

Real Estate

- Clarion Lion Properties Fund

Consultant

- Meketa Investment Group

Custodian

- Investors Bank & Trust

► 2005 Return	7.04%
► 2005 Target	7.90%
► 2005 Market Value	\$76.9 M
► 2001-2005 (Annualized)	6.02%
► 1985-2005 (Annualized)	9.60%

Board Members

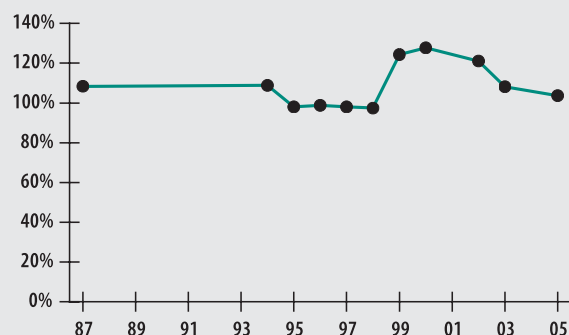
James P. Costello (Chairperson),
David W. Davis, Michael A. Grieco,
Leslie Kirwan, Philip H. Mallett

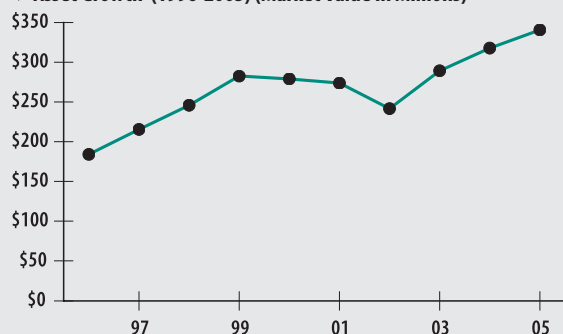
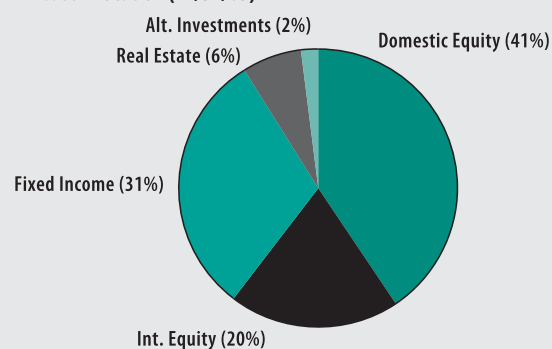
Board Administrator

Irene E. Moran

Board Meeting

Generally the last Wednesday of each month

Funded Ratio (1987-2005)

Investment Return (2001-2005, 5 Year and 21 Year Averages)

Asset Growth (1996-2005) (Market Value in Millions)

Asset Allocation (12/31/05)

ACTUARIAL

• Funded Ratio	103.7%
• Date of Last Valuation	01/05
• Actuary	Stone
• Assumed Rate of Return	7.75%
• Funding Schedule	Fully funded
• Year Fully Funded	NA
• Unfunded Liability	(\$10.9) M
• Total Pension Appropriation (Fiscal 2006)	\$3.7 M

	Active	Retired
• Number of Members	1,125	437
• Total Payroll/Benefit	\$71.0 M	\$11.0 M
• Average Salary/Benefit	\$63,100	\$25,200
• Average Age	NA	NA
• Average Service	NA	NA

INVESTMENT
Domestic Equity

- Mazama Capital Management
- Pzena Investment Management
- SSgA S&P 500 Flagship Fund

International Equity

- Baring Full Active/Passive Equity (Lending) Fund G
- Templeton Institutional Funds, Foreign Equity Series

Domestic Fixed Income

- Wellington Management Company

Real Estate

- PRIT

Alternative Investments

- Copley Partners I & II
- PRIT

Consultant

- Wilshire Associates

Custodian

- State Street

► 2005 Return	8.64%
► 2005 Target	8.09%
► 2005 Market Value	\$340.6 M
► 2001-2005 (Annualized)	5.62%
► 1985-2005 (Annualized)	10.39%

Board Members

Domenic A. Tringale (Chairperson),
Gerald F. Coughlin, James Esposito, Jr.,
David Grenon, Francis M. Hoey

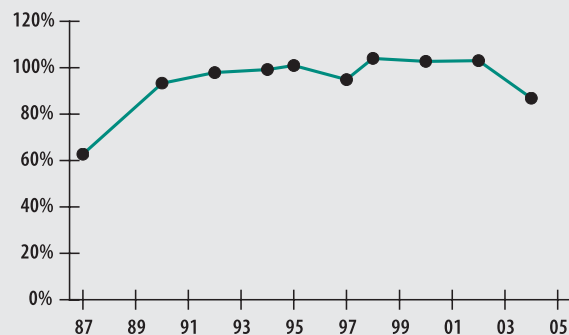
Board Administrator

Thomas L. Arcadipane

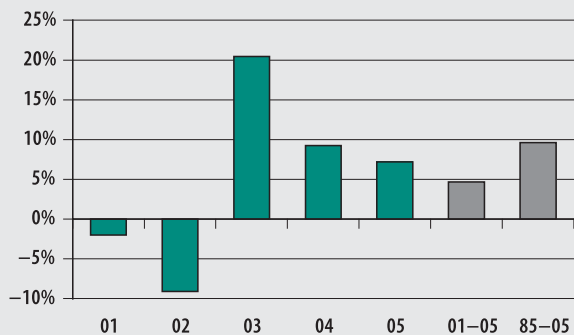
Board Meeting

Last Wednesday of each month

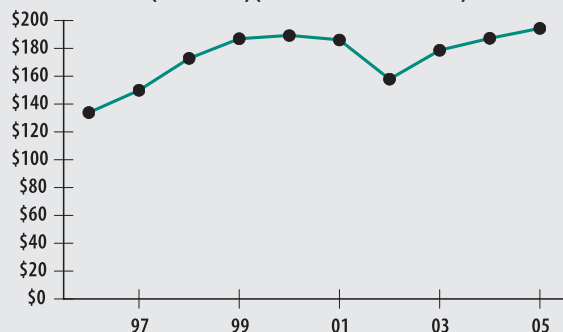
► **Funded Ratio (1987-2005)**



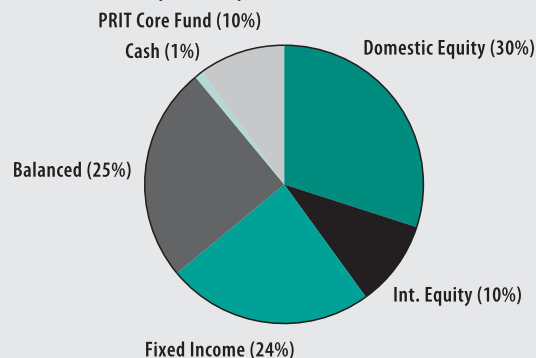
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	86.9%
• Date of Last Valuation	01/04
• Actuary	Segal
• Assumed Rate of Return	8.50%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2023
• Unfunded Liability	\$29.5 M
• Total Pension Appropriation (Fiscal 2006)	\$4.5 M

	Active	Retired
• Number of Members	1,259	695
• Total Payroll/Benefit	\$64.3 M	\$12.8 M
• Average Salary/Benefit	\$51,100	\$18,400
• Average Age	46	NA
• Average Service	11.2 years	NA

► **INVESTMENT**

Domestic Equity

- Boston Company Asset Management, LLC
- Cadence Capital Management, LLC
- Cooke & Bieler, L.P.
- Longwood Investment Advisors

International Equity

- Brandywine International Equity Value Fund

Domestic Fixed Income

- Wellington Trust Co.-CIF II Core Bond Fund

Balanced Fund

- Mellon Global Alpha Fund
- PIMCO All-Asset Fund

Core

- PRIT

Consultant

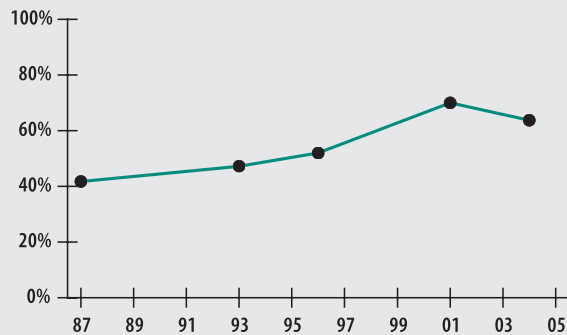
- New England Pension Consultants

Custodian

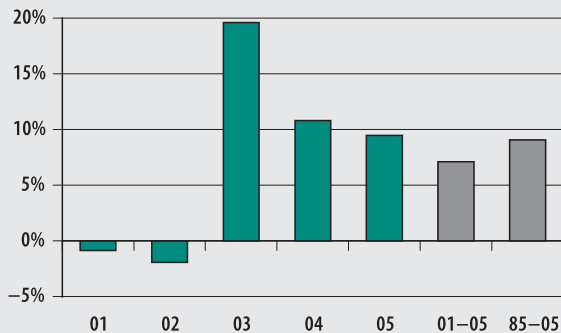
- State Street

► 2005 Return	7.19%
► 2005 Target	8.50%
► 2005 Market Value	\$194.2 M
► 2001-2005 (Annualized)	4.66%
► 1985-2005 (Annualized)	9.61%

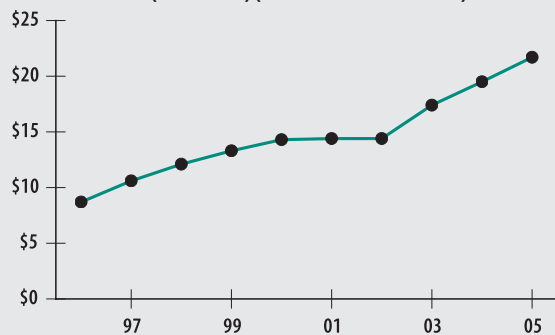
► **Funded Ratio (1987-2005)**



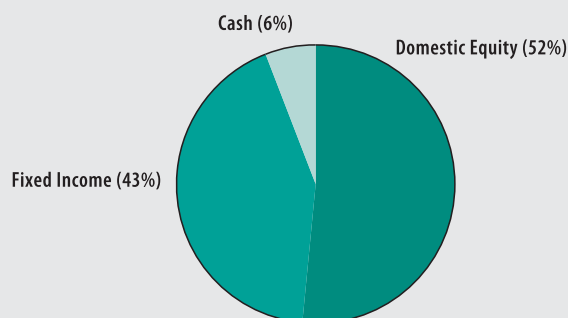
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	63.8%
• Date of Last Valuation	01/04
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	3.75% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$9.9 M
• Total Pension Appropriation (Fiscal 2006)	\$1.2 M

	Active	Retired
• Number of Members	181	78
• Total Payroll/Benefit	\$6.0 M	\$1.2 M
• Average Salary/Benefit	\$33,400	\$15,500
• Average Age	47	72
• Average Service	10.5 years	NA

► **INVESTMENT**

Domestic Equity

- Boston Advisors, Inc.

Domestic Fixed Income

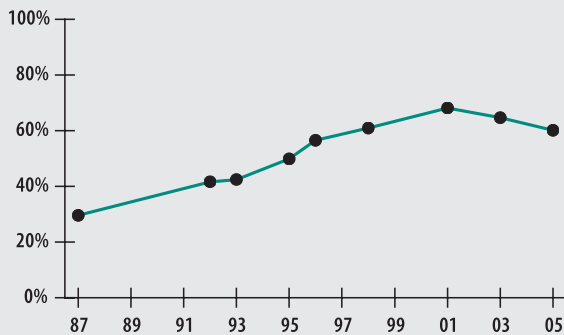
- Boston Advisors, Inc.

Custodian

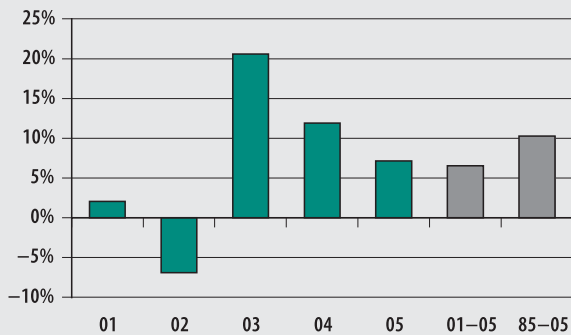
- Investors Bank & Trust

► 2005 Return	9.49%
► 2005 Target	7.94%
► 2005 Market Value	\$21.7 M
► 2001-2005 (Annualized)	7.13%
► 1985-2005 (Annualized)	9.09%

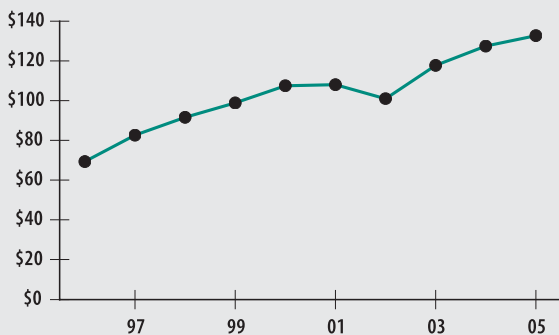
► **Funded Ratio (1987-2005)**



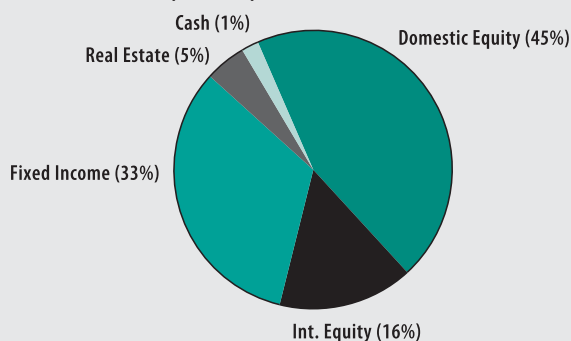
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	60.2%
• Date of Last Valuation	01/05
• Actuary	PERAC
• Assumed Rate of Return	7.50%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$82.0 M
• Total Pension Appropriation (Fiscal 2006)	\$7.1 M

	Active	Retired
• Number of Members	709	654
• Total Payroll/Benefit	\$33.4 M	\$12.0 M
• Average Salary/Benefit	\$47,200	\$18,400
• Average Age	48	74
• Average Service	13.0 years	NA

► **INVESTMENT**

Domestic Equity

- Boston Company Asset Management, LLC
- Connecticut Investment Management, Inc.
- Loomis Sayles Small Cap Value Fund
- RhumbLine S&P Mid-Cap 400 Pooled Index Fund

International Equity

- INVESCO IRT International Equity Fund

Domestic Fixed Income

- Columbia Management Group, Inc.
- Fountain Capital Management/Atlantic Asset Management High Yield Total Return Trust

Real Estate

- BlackRock Apartment Value Fund II, L.P.
- L&B Property Fund IV
- PRIT

Alternative Investments

- PRIT

Consultant

- New England Pension Consultants

Custodian

- State Street

► 2005 Return	7.16%
► 2005 Target	7.90%
► 2005 Market Value	\$132.7 M
► 2001-2005 (Annualized)	6.55%
► 1985-2005 (Annualized)	10.28%

Board Members

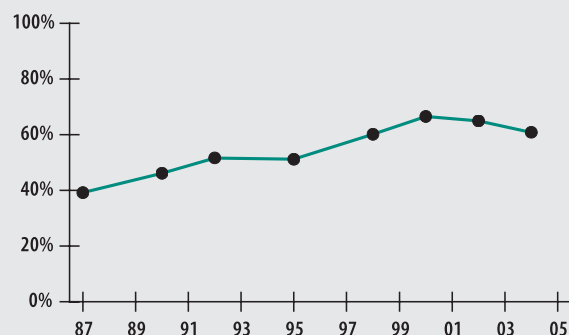
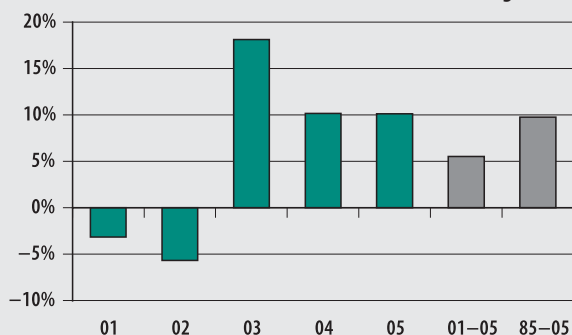
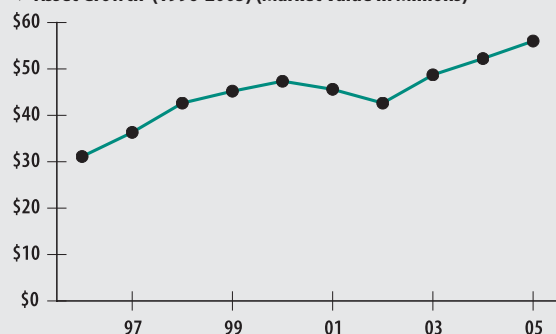
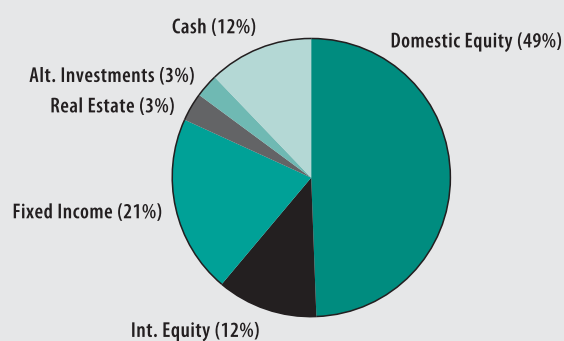
John P. O'Neil (Chairperson),
Patrick Dello Russo, James E. Milano,
Gerald W. O'Neil, Maria Zizza

Board Administrator

Barbara Wells

Board Meeting

Usually the last Wednesday of each month
at 11:00 am

► Funded Ratio (1987-2005)

► Investment Return (2001-2005, 5 Year and 21 Year Averages)

► Asset Growth (1996-2005) (Market Value in Millions)

► Asset Allocation (12/31/05)

► ACTUARIAL

• Funded Ratio	60.9%
• Date of Last Valuation	01/04
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	4.0% Increasing
• Year Fully Funded	2019
• Unfunded Liability	\$33.4 M
• Total Pension Appropriation (Fiscal 2006)	\$4.6 M

	Active	Retired
• Number of Members	414	384
• Total Payroll/Benefit	\$12.9 M	\$5.9 M
• Average Salary/Benefit	\$31,000	\$15,400
• Average Age	46	72
• Average Service	9.4 years	NA

► INVESTMENT
Domestic Equity

- Eaton Vance Large Cap Value Fund
- Freedom Equity Style Fund
- Independence Small Cap Fund
- INTECH Institutional Large Cap Fund

International Equity

- EuroPacific Growth Fund

Domestic Fixed Income

- Columbia Management Group, Inc.
- Loomis Sayles Fixed Income Fund

Real Estate

- Intercontinental Real Estate Investment Fund II, LLC
- TA Realty Associates Fund V & VII

Alternative Investments

- Ascent Venture Partners IV, L.P.
- INVESCO Non-U.S. Partnership Fund III, L.P.
- INVESCO U.S. Buyout & Expansion Capital Partnership Fund III, L.P.
- INVESCO Venture Partnership Fund III & IV, L.P.
- Keystone Venture V

Consultant

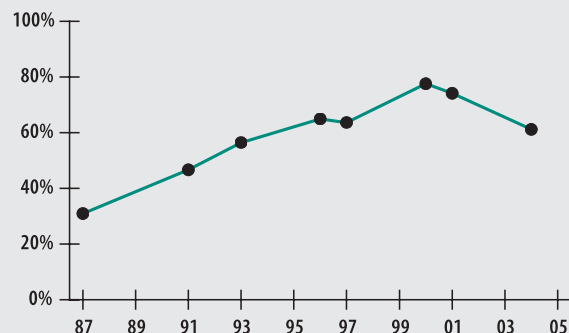
- Segal Advisors

Custodian

- Investors Bank & Trust

► 2005 Return	10.13%
► 2005 Target	8.50%
► 2005 Market Value	\$56.0 M
► 2001-2005 (Annualized)	5.53%
► 1985-2005 (Annualized)	9.79%

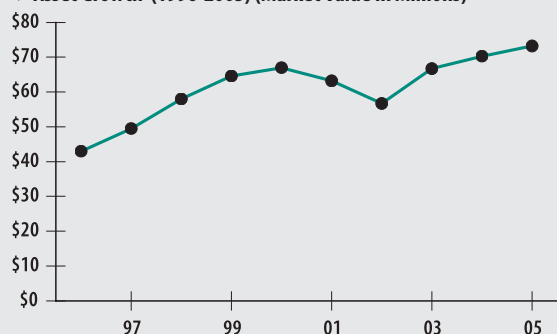
► Funded Ratio (1987-2005)



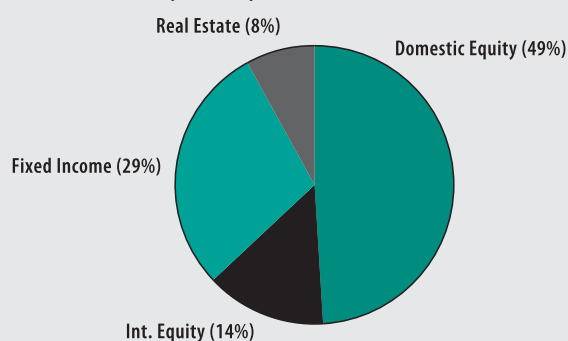
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	61.2%
• Date of Last Valuation	01/04
• Actuary	Mellon
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2025
• Unfunded Liability	\$45.7 M
• Total Pension Appropriation (Fiscal 2006)	\$5.0 M

	Active	Retired
• Number of Members	666	382
• Total Payroll/Benefit	\$25.9 M	\$6.3 M
• Average Salary/Benefit	\$38,900	\$16,500
• Average Age	NA	72
• Average Service	NA	NA

► INVESTMENT

Domestic Equity

- New Amsterdam Partners, LLC
- SSgA Russell 2000 Index SL Fund
- DCM Small Cap Equity Fund

International Equity

- Brandes International Equity Trust

Domestic Fixed Income

- Bradford & Marzec Strategic High Yield Portfolio
- Wells Capital Management Total Return Bond Fund

Real Estate

- RREEF America REIT II
- Sentinel Realty Partners IV

Alternative Investments

- Merrill Lynch Diversified Private Equity Program III

Consultant

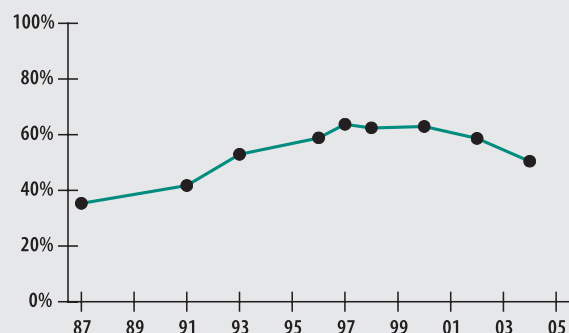
- Segal Advisors

Custodian

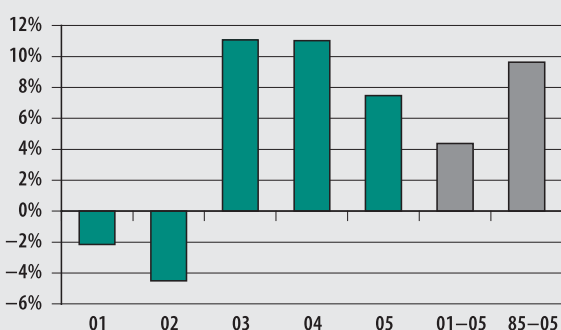
- Investors Bank & Trust

► 2005 Return	4.82%
► 2005 Target	8.50%
► 2005 Market Value	\$73.2 M
► 2001-2005 (Annualized)	3.87%
► 1985-2005 (Annualized)	9.17%

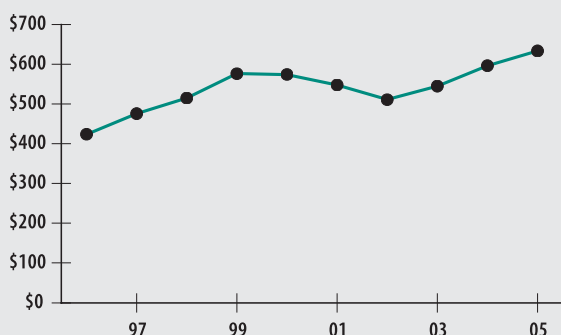
► **Funded Ratio (1987-2005)**



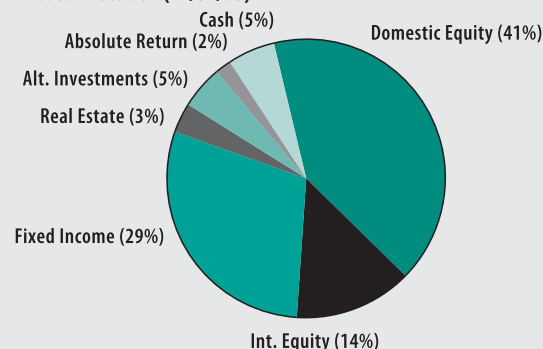
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	50.5%
• Date of Last Valuation	01/04
• Actuary	Segal
• Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$605.7 M
• Total Pension Appropriation (Fiscal 2006)	\$50.7 M

	Active	Retired
• Number of Members	9,043	4,780
• Total Payroll/Benefit	\$297.5 M	\$69.2 M
• Average Salary/Benefit	\$32,900	\$14,500
• Average Age	45	NA
• Average Service	8.5 years	NA

► **INVESTMENT**

Domestic Equity

- Atlanta Capital Management Company, LLC
- Enhanced Investment Technologies (INTECH)
- Fisher Investments, Inc.
- Fox Asset Management
- Freedom Capital Management Corporation
- Independence Investment, LLC
- J&W Seligman & Company, Inc.
- SSgA Russell 1000 Index SL Fund

International Equity

- Acadian Asset Management
- Lazard Asset Management, LLC
- MFS Institutional Advisors, Inc.
- Wells Capital Management Emerging Markets Fund

Domestic Fixed Income

- AFL-CIO Housing Investment Trust
- Columbia Management Group, Inc.
- FMA High Yield Capital Appreciation Limited Partnership
- Hartford Investment Management Company
- Income Research & Management

International Fixed Income

- Aberdeen International Bond Portfolio

Real Estate

- BlackRock Apartment Value Fund II, L.P.
- Geometry Real Estate LLC
- Geometry Real Estate III, L.P.
- GFP- Timberland III L.L.C.
- GFP- World Timberfund L.L.C.
- Intercontinental Real Estate Investment Fund III & IV, LLC
- L&B Property Fund IV

- Lend Lease Value Enhancement Fund III, IV & V
- Sentinel Realty Partners V
- SSgA Tuckerman--Multi-Family Development Program II & III
- SSgA Tuckerman--Residential Income and Value Added (RIVA) Fund
- TA Realty Associates Fund VI

Alternative Investments

- Alliance Technology Ventures III, L.P.
- Ascend Ventures, L.P.
- Ascent Venture Partners II & III, L.P.
- Auda Partners, L.P.
- Axxon Capital, L.P.
- Bachow Investment Partners III, L.P.
- Boston Millennia Partners, L.P.
- Boston Millennia Partners II, L.P.
- Charles River Partnership VI-A
- Crescent Capital
- Duke Street Capital Fund III & V
- First America Asia Fund I, LLC
- Globespan Capital Partners IV, L.P.
- INVESCO Non-U.S. Partnership Fund III, L.P.
- New England Growth Fund I & II, L.P.
- North Atlantic Venture Fund II & III
- Novo Vita, L.P.
- Novus Ventures II, L.P.
- PRISM Venture Partners I & III, L.P.
- Thomas H. Lee Equity Fund V, L.P.
- Weiss, Peck & Greer Corporate Development IV, L.P.
- Zero Stage Capital V & VI, L.P.

Absolute Return

- Salus Market Neutral Conservative Investment Fund

► **INVESTMENT (CONT.)**

Cash

- Smith Barney

Custodian

- State Street

Currency Overlay

- A.G. Bissett & Company, Inc.

Commission Recapture

- First Honolulu Securities
- Lynch, Jones & Ryan
- Rochdale Securities, Inc
- Trading Partners, Inc.

Transition Management

- Trading Partners, Inc.

Consultant

- Wainwright Investment Counsel, LLC

► 2005 Return	7.47%
► 2005 Target	8.62%
► 2005 Market Value	\$633.1 M
► 2001-2005 (Annualized)	4.37%
► 1985-2005 (Annualized)	9.64%

Board Members

John P. Pyne, Jr., (Chairperson),
Michael A. Diorio, CPA, Gerald F. Hennessy,
Ernest Pettinari, Esq., David Sacco

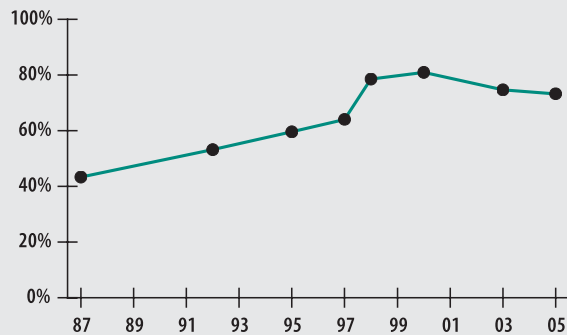
Board Administrator

Linda DeDominick

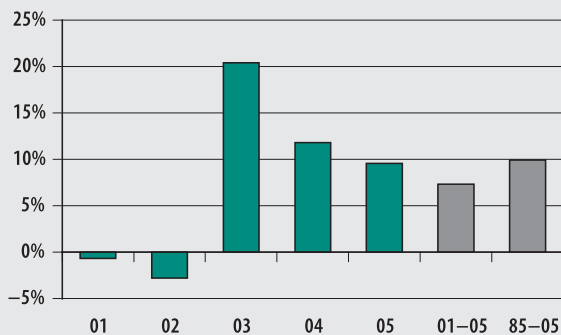
Board Meeting

Fourth Tuesday of each month at 1:00 pm

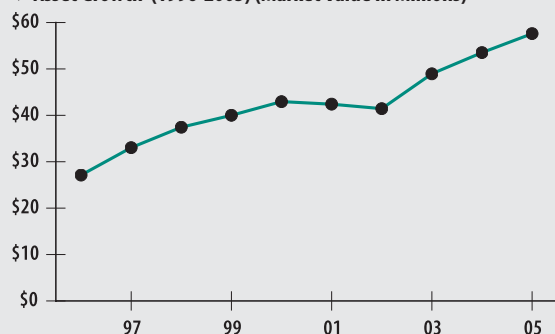
► **Funded Ratio (1987-2005)**



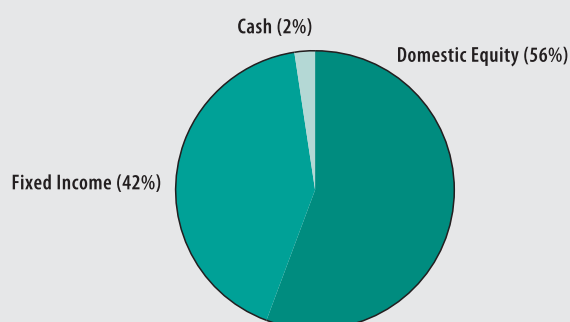
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	73.3%
• Date of Last Valuation	01/05
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$19.0 M
• Total Pension Appropriation (Fiscal 2006)	\$2.3 M

	Active	Retired
• Number of Members	430	284
• Total Payroll/Benefit	\$14.2 M	\$4.0 M
• Average Salary/Benefit	\$33,100	\$14,200
• Average Age	47	73
• Average Service	10.8 years	NA

► **INVESTMENT**

Domestic Equity

• Boston Advisors, Inc.

Domestic Fixed Income

• Boston Advisors, Inc.

Custodian

• State Street

► 2005 Return	9.56%
► 2005 Target	8.20%
► 2005 Market Value	\$57.6 M
► 2001-2005 (Annualized)	7.34%
► 1985-2005 (Annualized)	9.93%

Board Members

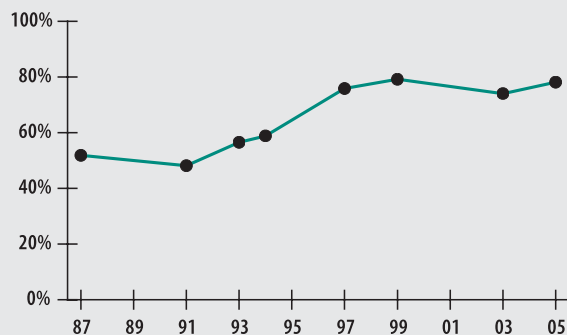
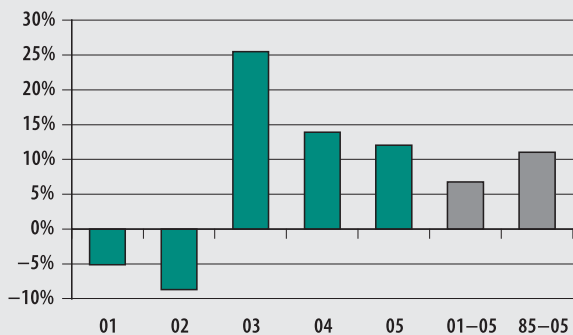
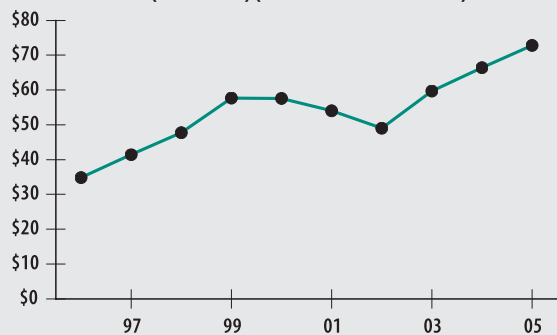
David S. Grab (Chairperson),
John H. Bowie, Jr., Robert J. Byron,
Joseph G. Graziani, Jr., Richard J. Madigan

Board Administrator

Kevin Cleary

Board Meeting

Last Thursday of each month at 5:30 pm

► Funded Ratio (1987-2005)**► Investment Return (2001-2005, 5 Year and 21 Year Averages)****► Asset Growth (1996-2005) (Market Value in Millions)****► Asset Allocation**

See page 121 for PRIT asset allocation chart.

► ACTUARIAL

• Funded Ratio	78.2%
• Date of Last Valuation	01/05
• Actuary	PERAC
• Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2020
• Unfunded Liability	\$17.9 M
• Total Pension Appropriation (Fiscal 2006)	\$3.2 M

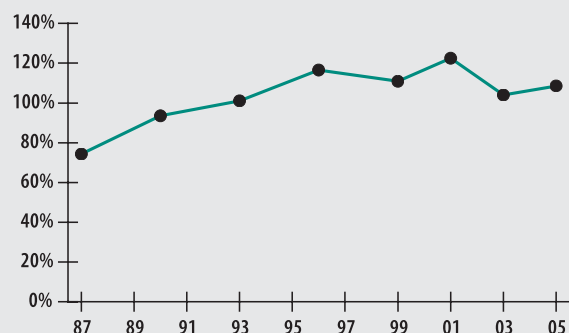
	Active	Retired
• Number of Members	331	297
• Total Payroll/Benefit	\$14.0 M	\$5.4 M
• Average Salary/Benefit	\$42,400	\$18,100
• Average Age	46	73
• Average Service	11.4 years	NA

► INVESTMENT

- PRIT

► 2005 Return	12.05%
► 2005 Target	8.30%
► 2005 Market Value	\$72.8 M
► 2001-2005 (Annualized)	6.76%
► 1985-2005 (Annualized)	11.04%

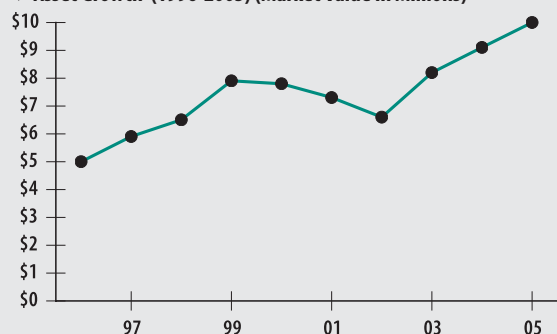
► **Funded Ratio (1987-2005)**



► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation**

See page 121 for PRIT asset allocation chart.

► **ACTUARIAL**

• Funded Ratio	108.6%
• Date of Last Valuation	01/05
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	Fully funded
• Year Fully Funded	NA
• Unfunded Liability	(\$700,000)
• Total Pension Appropriation (Fiscal 2006)	\$120,000

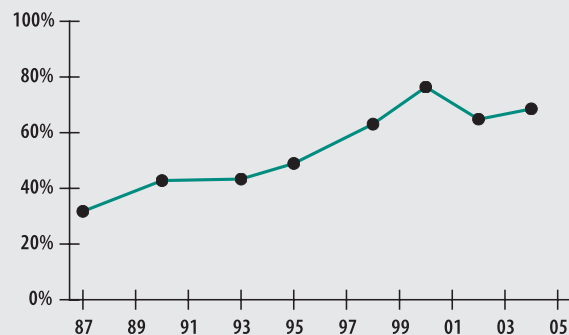
	Active	Retired
• Number of Members	47	27
• Total Payroll/Benefit	\$2.0 M	\$0.4 M
• Average Salary/Benefit	\$43,600	\$14,400
• Average Age	48	73
• Average Service	11.6 years	NA

► **INVESTMENT**

- PRIT

► 2005 Return	12.84%
► 2005 Target	8.30%
► 2005 Market Value	\$10.0 M
► 2001-2005 (Annualized)	7.13%
► 1985-2005 (Annualized)	11.18%

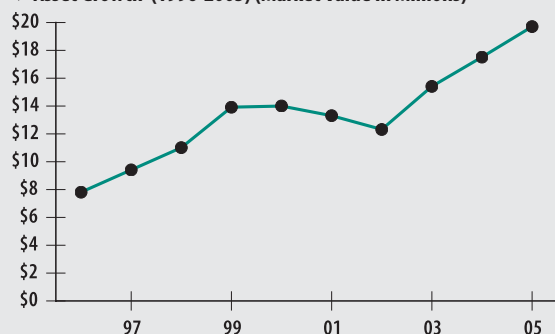
► Funded Ratio (1987-2005)



► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation

See page 121 for PRIT asset allocation chart.

► ACTUARIAL

• Funded Ratio	68.6%
• Date of Last Valuation	01/04
• Actuary	Stone
• Assumed Rate of Return	8.00%
• Funding Schedule	2.0% Increasing
• Year Fully Funded	2016
• Unfunded Liability	\$7.0 M
• Total Pension Appropriation (Fiscal 2006)	\$1.2 M

	Active	Retired
• Number of Members	199	105
• Total Payroll/Benefit	\$5.0 M	\$1.3 M
• Average Salary/Benefit	\$25,200	\$12,400
• Average Age	46	NA
• Average Service	9.1 years	NA

► INVESTMENT

- PRIT

► 2005 Return	12.69%
► 2005 Target	8.30%
► 2005 Market Value	\$19.7 M
► 2001-2005 (Annualized)	7.07%
► 1985-2005 (Annualized)	10.61%

Board Members

Robert J. Drew (Chairperson),
Ruthann Cashman, David Given,
John D. Mahaney, Michael J. Melchiorri

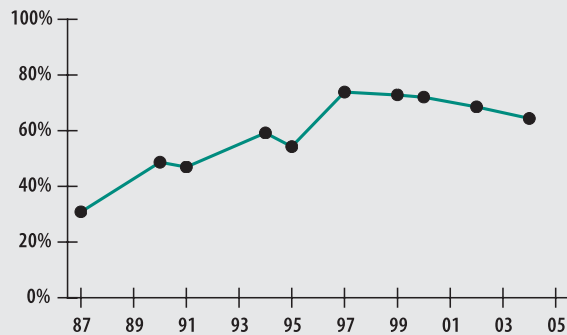
Board Administrator

Kathleen S. Bacon

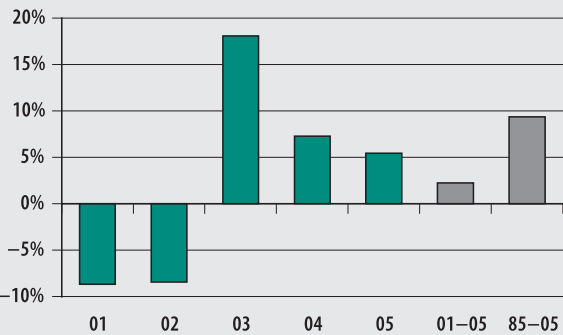
Board Meeting

Usually the last Wednesday of each month
at 2:00 pm

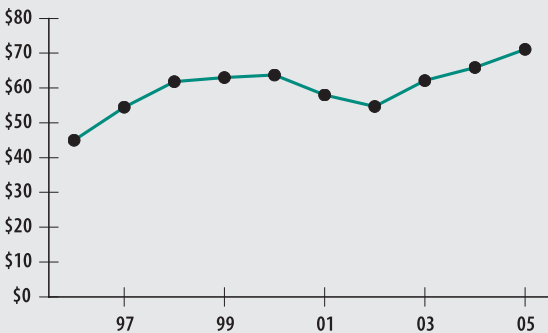
► **Funded Ratio (1987-2005)**



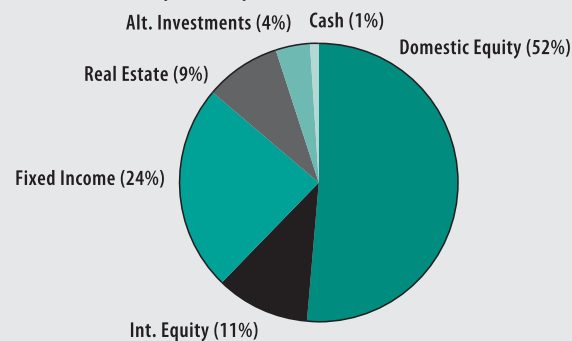
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	64.4%
• Date of Last Valuation	01/04
• Actuary	Segal
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2026
• Unfunded Liability	\$38.8 M
• Total Pension Appropriation (Fiscal 2006)	\$4.8 M

	Active	Retired
• Number of Members	544	365
• Total Payroll/Benefit	\$22.2 M	\$5.9 M
• Average Salary/Benefit	\$40,800	\$16,200
• Average Age	47	NA
• Average Service	12.2 years	NA

► **INVESTMENT**

Domestic Equity

- Eaton Vance Large Cap Value Fund
- Independence Investment, LLC
- SSgA Large Cap Growth Opportunities Fund

International Equity

- Hotchkis and Wiley International Equity Group Trust

Domestic Fixed Income

- Hartford Institutional Trust – Core Plus Fixed Income Series

Real Estate

- Intercontinental Real Estate Investment Fund III, LLC
- Sentinel Realty Partners VI

Alternative Investments

- First America Asia Fund I

Consultant

- Segal Advisors

Custodian

- Investors Bank & Trust

► 2005 Return	5.46%
► 2005 Target	8.50%
► 2005 Market Value	\$71.1 M
► 2001-2005 (Annualized)	2.26%
► 1985-2005 (Annualized)	9.37%

Needham

Town Hall
1471 Highland Avenue
Needham, MA 02492-2669
Phone 781-455-7595
Fax 781-449-4569

Board Members

Evelyn M. Poness (Chairperson),
Kathleen P. Fitzpatrick, John P. Krawiecki,
Robert P. Mearls, Thomas A. Welch

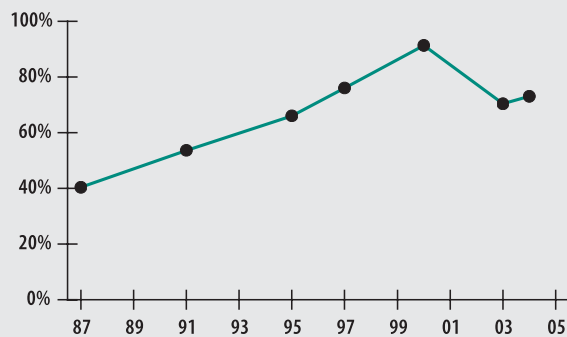
Board Administrator

Mary Clare Siegel

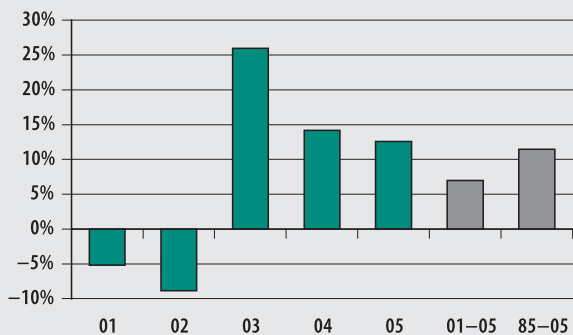
Board Meeting

Usually third Wednesday of each month at
9:30 am

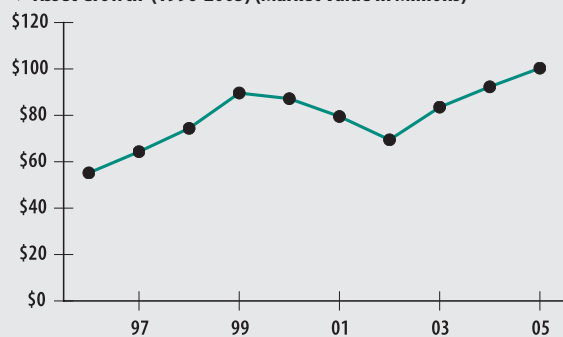
► Funded Ratio (1987-2005)



► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation

See page 121 for PRIT asset allocation chart.

► ACTUARIAL

• Funded Ratio	73.1%
• Date of Last Valuation	01/04
• Actuary	Mellon
• Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2022
• Unfunded Liability	\$30.5 M
• Total Pension Appropriation (Fiscal 2006)	\$3.7 M

	Active	Retired
• Number of Members	603	527
• Total Payroll/Benefit	\$21.6 M	\$7.9 M
• Average Salary/Benefit	\$35,900	\$14,900
• Average Age	NA	74
• Average Service	NA	NA

► INVESTMENT

- PRIT

► 2005 Return	12.61%
► 2005 Target	8.30%
► 2005 Market Value	\$100.3 M
► 2001-2005 (Annualized)	6.97%
► 1985-2005 (Annualized)	11.44%

New Bedford

700 Pleasant Street
4th Floor
New Bedford, MA 02740
Phone 508-979-1538
Fax 508-979-1799

Board Members

Arthur J. Caron, Jr. (Chairperson),
Dennis C. Brightman, Paul M. Lestage,
Peter C. Schmidt, Edward J. Wiley

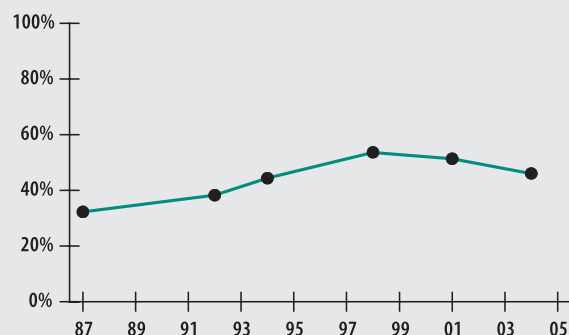
Board Administrator

Gerard Arnaudet

Board Meeting

Usually last Thursday of each month at 9:30 am

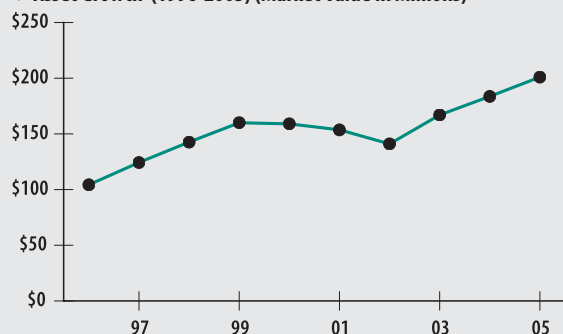
► Funded Ratio (1987-2005)



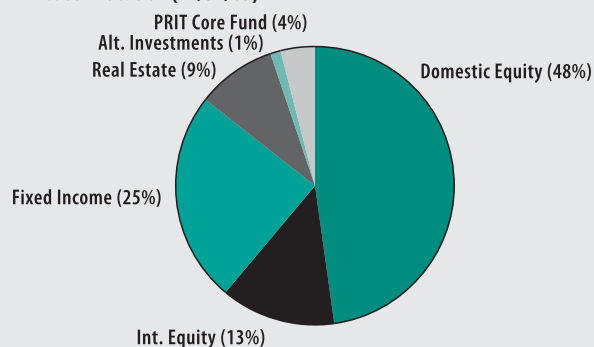
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	46.1%
• Date of Last Valuation	01/04
• Actuary	Mellon
• Assumed Rate of Return	8.50%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2024
• Unfunded Liability	\$205.3 M
• Total Pension Appropriation (Fiscal 2006)	\$18.6 M

	Active	Retired
• Number of Members	2,267	1,401
• Total Payroll/Benefit	\$75.4 M	\$25.5 M
• Average Salary/Benefit	\$33,300	\$18,200
• Average Age	NA	73
• Average Service	NA	NA

► INVESTMENT

Domestic Equity

- Alliance Capital Management, L.P.
- Boston Company
- Westfield Capital Management Company, LLC

International Equity

- Boston Company International Equity Fund

Domestic Fixed Income

- Aberdeen Asset Management, Inc.
- Loomis Sayles Fixed Income Fund

Alternative Investments

- INVESCO Venture Partnership Fund IV, L.P.
- Wilton Private Market Specialized Fund, LLC

Real Estate

- MetLife Tower Fund
- UBS Real Estate Separate Account (RESA)

Core

- PRIT

Consultant

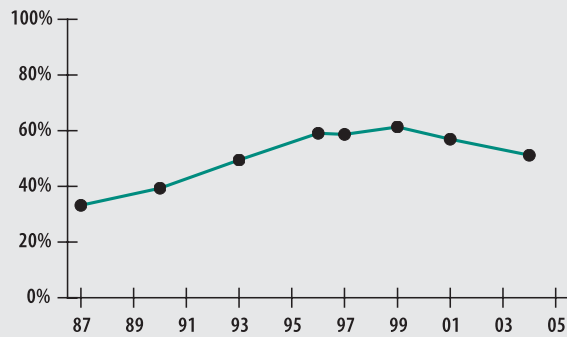
- Segal Advisors

Custodian

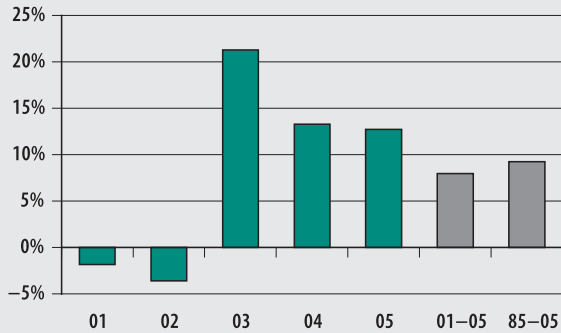
- Investors Bank & Trust

► 2005 Return	10.50%
► 2005 Target	9.00%
► 2005 Market Value	\$200.9 M
► 2001-2005 (Annualized)	7.29%
► 1985-2005 (Annualized)	9.00%

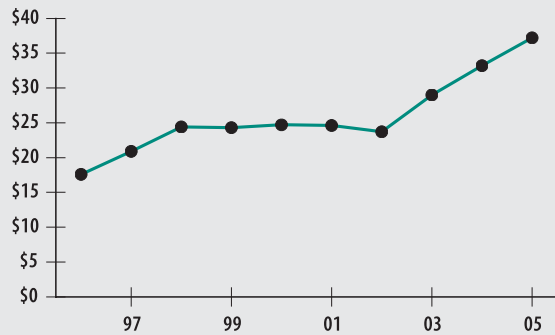
► Funded Ratio (1987-2005)



► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation

See page 121 for PRIT asset allocation chart.

► ACTUARIAL

• Funded Ratio	51.2%
• Date of Last Valuation	01/04
• Actuary	Hancock
• Assumed Rate of Return	8.00%
• Funding Schedule	4.3% Increasing
• Year Fully Funded	2025
• Unfunded Liability	\$28.9 M
• Total Pension Appropriation (Fiscal 2006)	\$3.1 M

	Active	Retired
• Number of Members	344	215
• Total Payroll/Benefit	\$13.3 M	\$3.6 M
• Average Salary/Benefit	\$38,600	\$16,700
• Average Age	44	71
• Average Service	9.0 years	NA

► INVESTMENT

- PRIT

► 2005 Return	12.72%
► 2005 Target	8.30%
► 2005 Market Value	\$37.2 M
► 2001-2005 (Annualized)	7.96%
► 1985-2005 (Annualized)	9.26%

Board Members

Nunzio J. Piselli (Chairperson), Paul Bianchi,
Francis P. Capello, Jr., Richard C. Heidlage,
David C. Wilkinson

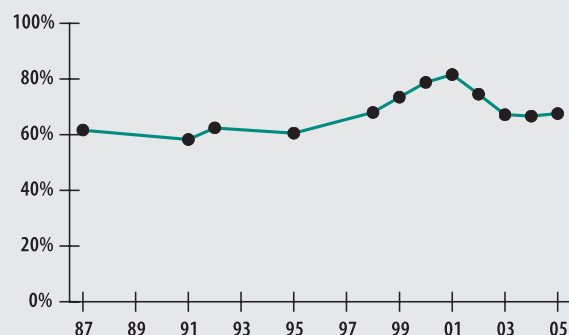
Board Administrator

Kelly Byrne

Board Meeting

Third Wednesday of the month at 3:00 pm

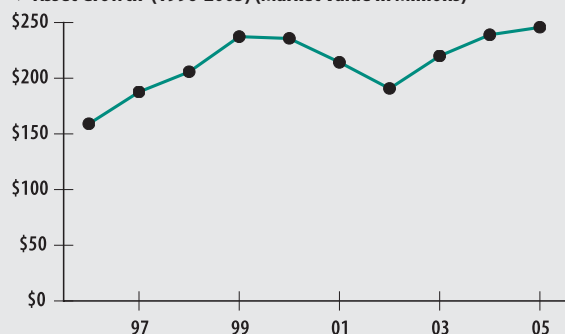
► **Funded Ratio (1987-2005)**



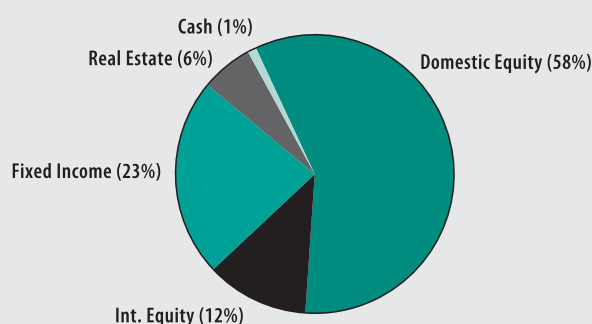
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	67.6%
• Date of Last Valuation	01/05
• Actuary	Mellon
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2027
• Unfunded Liability	\$116.8 M
• Total Pension Appropriation (Fiscal 2006)	\$10.3 M

	Active	Retired
• Number of Members	1,759	1,282
• Total Payroll/Benefit	\$69.7 M	\$21.5 M
• Average Salary/Benefit	\$39,600	\$16,800
• Average Age	45	74
• Average Service	11.4 years	NA

► **INVESTMENT**

Domestic Equity

- Babson Capital Management LLC
- Franklin Portfolio Associates EB Core Mid Cap Stock Fund
- Freedom Equity Style Fund
- Freedom Large Cap Value Fund
- Mellon EB Large Cap Growth Fund

International Equity

- Boston Company International Equity Fund
- SSgA Daily International Alpha Securities Lending Fund

Domestic Fixed Income

- Wellington Trust Co.-CIF II Core Bond Fund
- Wellington Trust Co.-CIF II Upper Tier High Yield Portfolio

Real Estate

- Carey Corporate Properties Associates Fund 15
- Fidelity Real Estate Asset Manager III, L.P.
- Fidelity Real Estate Growth Fund II, L.P.
- Prudential Real Estate Investors (PRISA Fund)

Consultant

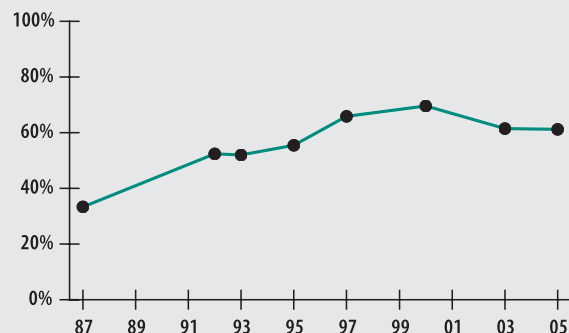
- Segal Advisors

Custodian

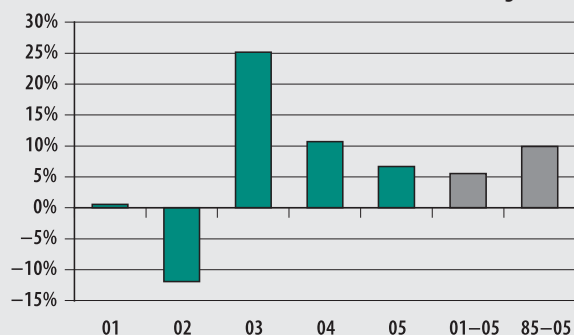
- Mellon Trust

► 2005 Return	6.70%
► 2005 Target	9.00%
► 2005 Market Value	\$245.7 M
► 2001-2005 (Annualized)	4.61%
► 1985-2005 (Annualized)	10.06%

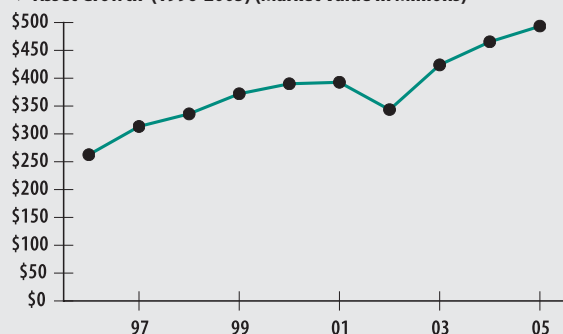
► **Funded Ratio (1987-2005)**



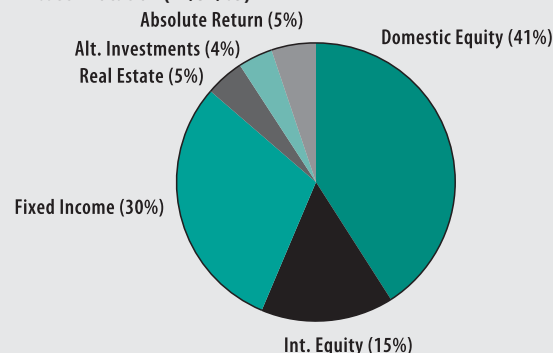
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	61.2%
• Date of Last Valuation	01/05
• Actuary	Buck
• Assumed Rate of Return	8.50%
• Funding Schedule	2.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$295.7 M
• Total Pension Appropriation (Fiscal 2006)	\$28.8 M

	Active	Retired
• Number of Members	5,668	2,814
• Total Payroll/Benefit	\$196.6 M	\$45.8 M
• Average Salary/Benefit	\$34,700	\$16,300
• Average Age	NA	72
• Average Service	NA	NA

► **INVESTMENT**

Domestic Equity

- Boston Company
- Freedom Capital Management Corporation
- Independence Investment, LLC
- INTECH Risk Managed Large Cap Growth Fund
- Munder Capital Management
- RhumbLine Russell 1000 Value Pooled Index Fund
- SSgA Russell 1000 Growth SL Fund

International Equity

- Fisher Investments, Inc.
- Lazard Emerging Markets Equity Portfolio
- MFS Institutional Advisors, Inc.

Domestic Fixed Income

- IR&M Core Bond Fund
- Loomis, Sayles & Company, L.P.
- SSgA 1-3 Year Treasury Fund
- Wellington Management Company

International Fixed Income

- Wellington Trust Co.-CIF International Bond Unhedged Portfolio

Real Estate

- Clarion Lion Properties Fund
- Intercontinental Real Estate Investment Fund III, LLC
- INVESCO IRT Equity Real Estate Securities Fund
- Sentinel Realty Partners IV, V
- TA Realty Associates Fund V, VII

Alternative Investments

- Ascend Ventures, L.P.
- Ascend Ventures II, L.P.
- Boston Millennia Partners, L.P.
- Boston Millennia Partners II, L.P.
- CHL Medical Partners II, L.P.
- Collier International Partners IV
- Halpern Denny Fund II & III, L.P.
- Inflection Point Ventures, L.P.
- INVESCO Venture Partnership Fund IV, L.P.
- Mesirow Financial Capital Partners IX
- Monitor Venture Partners I, L.P.
- New England Growth Fund II, L.P.
- North American Strategic Partners
- PRISM Venture Partners IV & V, L.P.
- Washington & Congress Capital Partners, L.P.
- Wilshire Private Markets Fund II, IV

Hedge Fund

- Mesirow Multi-Strategy Fund
- Preferred Investors, L.P.

Commission Recapture

- Donaldson & Company
- Rochdale Securities Corporation

Consultant

- Wainwright Investment Counsel, LLC

Custodian

- State Street

► 2005 Return	6.69%
► 2005 Target	9.23%
► 2005 Market Value	\$493.4 M
► 2001-2005 (Annualized)	5.54%
► 1985-2005 (Annualized)	9.93%

North Adams

85 Main Street, Room 322
North Adams, MA 01247
Phone 413-663-5185
Fax 413-664-9412

Board Members

James D. Brown (Chairperson), Alan Marden,
Lawrence R. O'Brien, Fred T. Thompson, Esq.,
Kathleen A. Wall

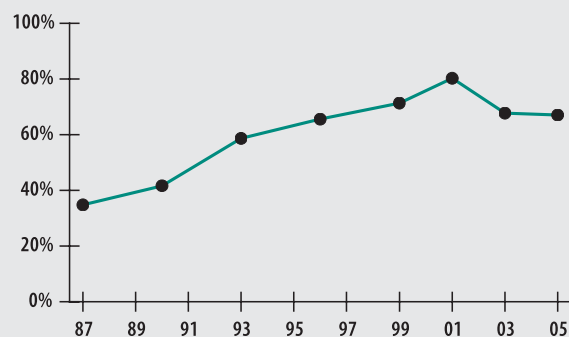
Board Administrator

Beverly Cooper

Board Meeting

Varies

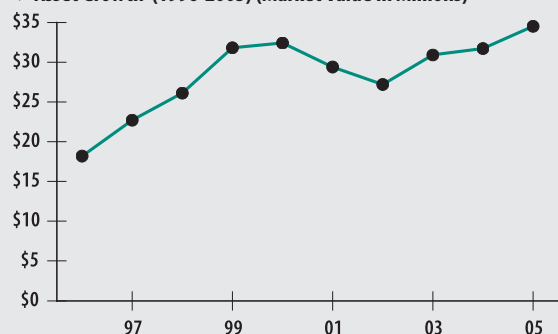
► Funded Ratio (1987-2005)



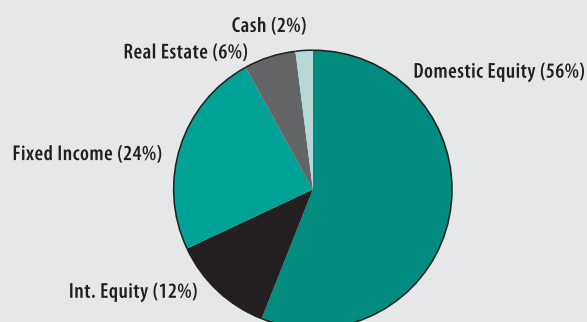
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	67.1%
• Date of Last Valuation	01/05
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	3.0% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$16.2 M
• Total Pension Appropriation (Fiscal 2006)	\$1.8 M

	Active	Retired
• Number of Members	346	213
• Total Payroll/Benefit	\$8.1 M	\$3.1 M
• Average Salary/Benefit	\$23,400	\$14,700
• Average Age	47	71
• Average Service	9.3 years	NA

► INVESTMENT

Total Portfolio

- de Burlo Group

Custodian

- Bank of America

► 2005 Return	12.04%
► 2005 Target	8.00%
► 2005 Market Value	\$34.5 M
► 2001-2005 (Annualized)	4.19%
► 1985-2005 (Annualized)	10.67%

North Attleboro

500 East Washington Street
2nd Floor
North Attleboro, MA 02760
Phone 508-699-0119
Fax 508-699-0127

Board Members

Edward G. Lambert, Jr. (Chairperson),
Dorothy H. Baker, Jack J. Bush,
Patricia A. Shapiro, Paula J. Tattrie

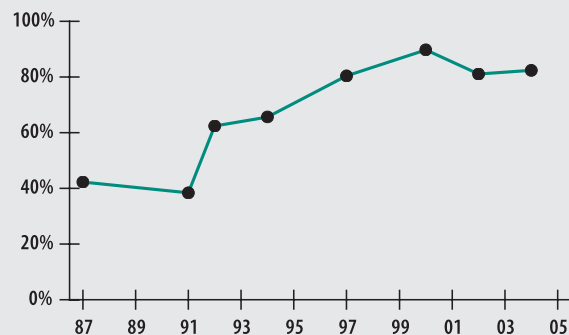
Board Administrator

Debra A. Bush

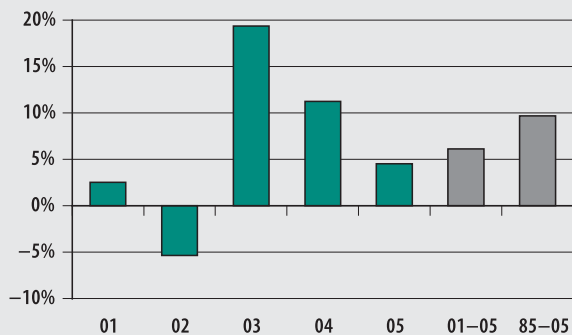
Board Meeting

Last Wednesday of each month

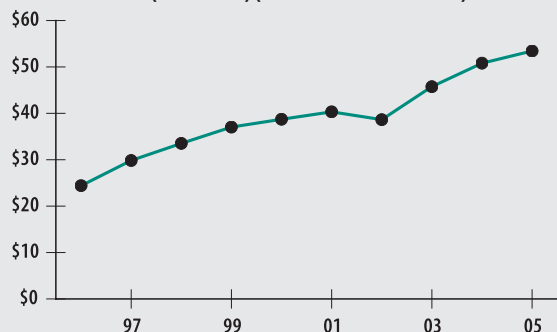
► Funded Ratio (1987-2005)



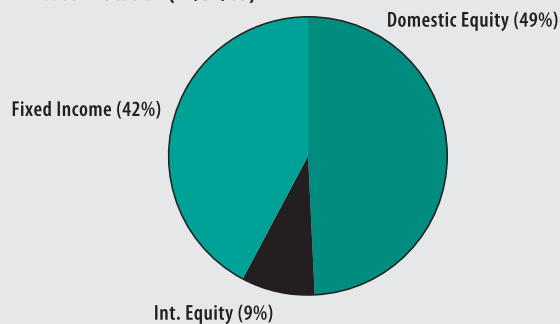
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	82.4%
• Date of Last Valuation	01/04
• Actuary	Mellon
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$10.1 M
• Total Pension Appropriation (Fiscal 2006)	\$1.9 M

	Active	Retired
• Number of Members	515	191
• Total Payroll/Benefit	\$16.4 M	\$2.7 M
• Average Salary/Benefit	\$31,800	\$14,100
• Average Age	NA	72
• Average Service	NA	NA

► INVESTMENT

Domestic Equity

- Columbia Management Group, Inc.
- RhumbLine S&P 500 Pooled Index Fund

International Equity

- Boston Company International Equity Fund

Domestic Fixed Income

- Freedom Capital Management Corporation (Core)
- Freedom Core Plus Fixed Income Fund
- RhumbLine Lehman Aggregate Pooled Index Fund

Consultant

- Advest Custom Consulting

Custodian

- Investors Bank & Trust

► 2005 Return	4.54%
► 2005 Target	8.60%
► 2005 Market Value	\$53.4 M
► 2001-2005 (Annualized)	6.15%
► 1985-2005 (Annualized)	9.68%

Northampton

City Hall, Room 3
210 Main Street
Northampton, MA 01060
Phone 413-587-1211
Fax 413-587-1278

Board Members

Christopher B. Pile (Chairperson),
AnneMarie Baron, Shirley A. LaRose,
Michael J. Lyons, A. Edwin Putnam

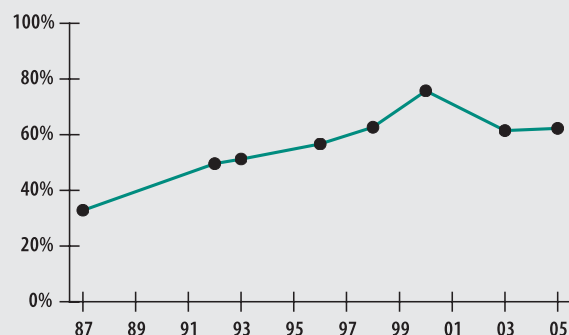
Board Administrator

Barbara Weeks

Board Meeting

Last Tuesday or Thursday of each month

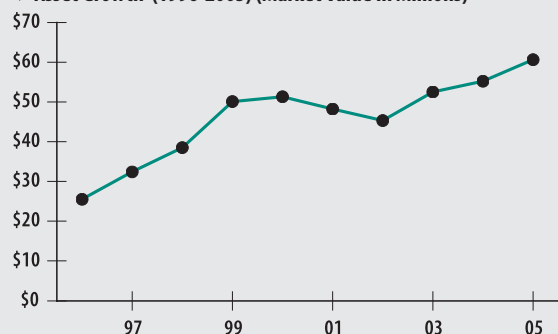
► Funded Ratio (1987-2005)



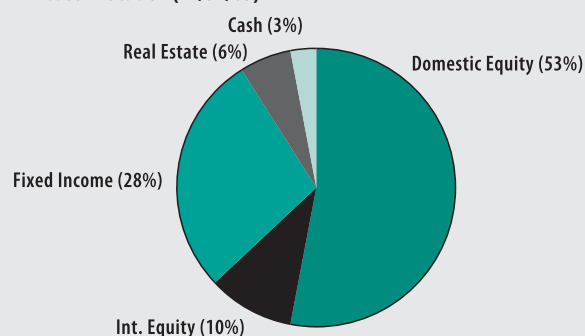
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	62.3%
• Date of Last Valuation	01/05
• Actuary	Stone
• Assumed Rate of Return	7.75%
• Funding Schedule	3.4% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$34.3 M
• Total Pension Appropriation (Fiscal 2006)	\$3.4 M

	Active	Retired
• Number of Members	578	326
• Total Payroll/Benefit	\$18.1 M	\$4.8 M
• Average Salary/Benefit	\$31,300	\$14,800
• Average Age	45	69
• Average Service	10.4 years	NA

► INVESTMENT

Total Portfolio

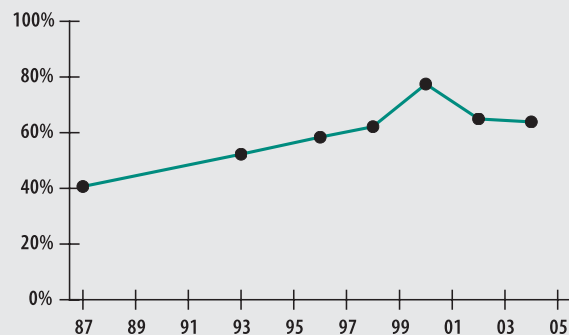
• de Burlo Group

Custodian

• Investors Bank & Trust

► 2005 Return	10.54%
► 2005 Target	8.53%
► 2005 Market Value	\$60.6 M
► 2001-2005 (Annualized)	4.03%
► 1985-2005 (Annualized)	10.38%

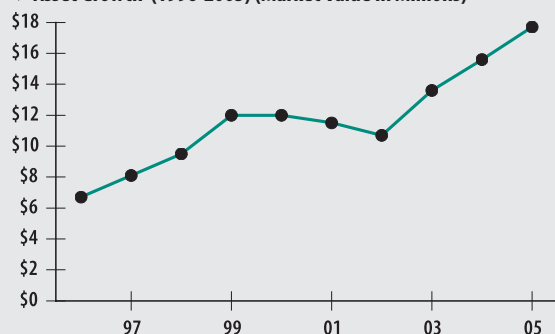
► Funded Ratio (1987-2005)



► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation

See page 121 for PRIT asset allocation chart.

► ACTUARIAL

• Funded Ratio	63.9%
• Date of Last Valuation	01/04
• Actuary	Stone
• Assumed Rate of Return	8.00%
• Funding Schedule	3.75% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$7.7 M
• Total Pension Appropriation (Fiscal 2006)	\$933,250

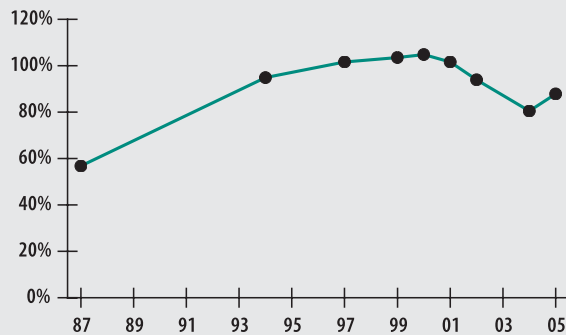
	Active	Retired
• Number of Members	168	96
• Total Payroll/Benefit	\$5.7 M	\$1.0 M
• Average Salary/Benefit	\$34,200	\$10,900
• Average Age	46	NA
• Average Service	9.0 years	NA

► INVESTMENT

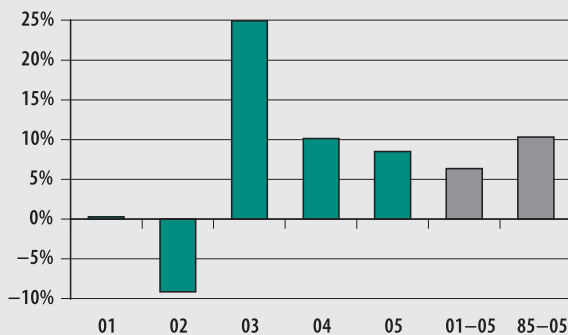
- PRIT

► 2005 Return	12.74%
► 2005 Target	8.30%
► 2005 Market Value	\$17.7 M
► 2001-2005 (Annualized)	7.12%
► 1985-2005 (Annualized)	10.92%

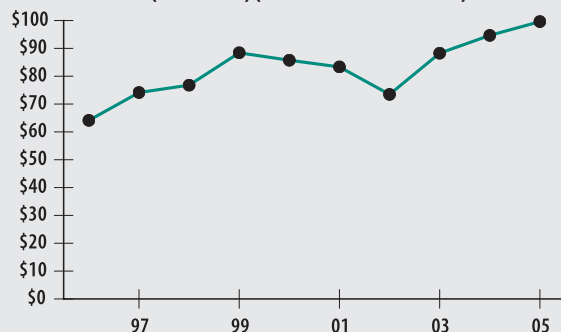
► Funded Ratio (1987-2005)



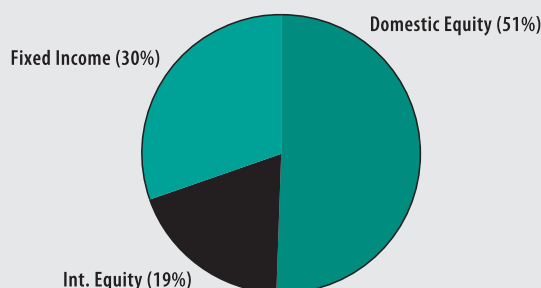
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	87.9%
• Date of Last Valuation	01/05
• Actuary	Buck
• Assumed Rate of Return	8.50%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$13.0 M
• Total Pension Appropriation (Fiscal 2006)	\$1.9 M

	Active	Retired
• Number of Members	590	362
• Total Payroll/Benefit	\$23.7 M	\$6.0 M
• Average Salary/Benefit	\$40,200	\$16,500
• Average Age	NA	74
• Average Service	NA	NA

► INVESTMENT

Domestic Equity

- Boston Company
- Legg Mason Capital Management
- SSgA U.S. Core Opportunities Fund

International Equity

- EuroPacific Growth Fund

Domestic Fixed Income

- Standish Mellon EB MBA Aggregate Bond Index Fund

Consultant

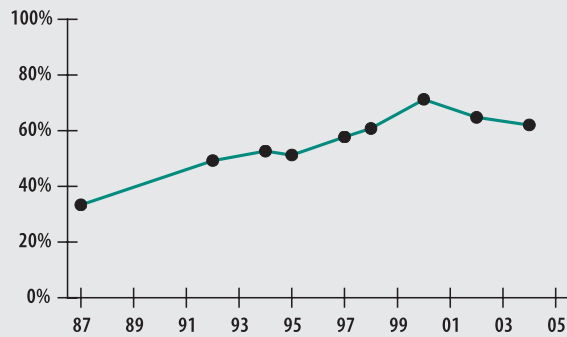
- Mercer Investment Consulting

Custodian

- Investors Bank & Trust

► 2005 Return	8.51%
► 2005 Target	8.80%
► 2005 Market Value	\$99.6 M
► 2001-2005 (Annualized)	6.36%
► 1985-2005 (Annualized)	10.30%

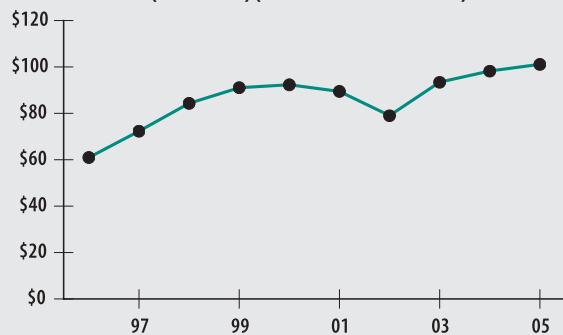
► **Funded Ratio (1987-2005)**



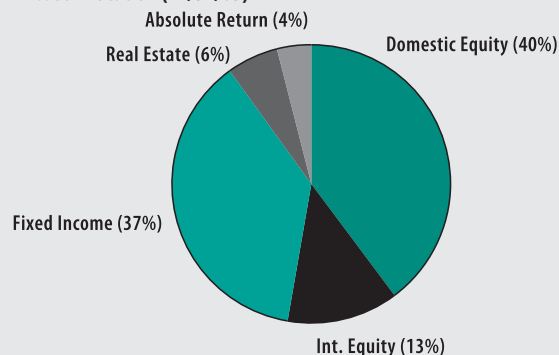
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	62.1%
• Date of Last Valuation	01/04
• Actuary	Mellon
• Assumed Rate of Return	8.25%
• Funding Schedule	Level
• Year Fully Funded	2028
• Unfunded Liability	\$62.2 M
• Total Pension Appropriation (Fiscal 2006)	\$7.7 M

	Active	Retired
• Number of Members	835	824
• Total Payroll/Benefit	\$30.3 M	\$10.9 M
• Average Salary/Benefit	\$36,300	\$13,200
• Average Age	47	NA
• Average Service	10.3 years	NA

► **INVESTMENT**

Domestic Equity

- Freedom Capital Management Corporation
- Freedom Equity Style Fund
- Freedom Large Cap Value Fund
- Independence Small Cap Fund

International Equity

- Boston Company International Equity Fund

Domestic Fixed Income

- PRIT

Real Estate

- PRIT

Absolute Return

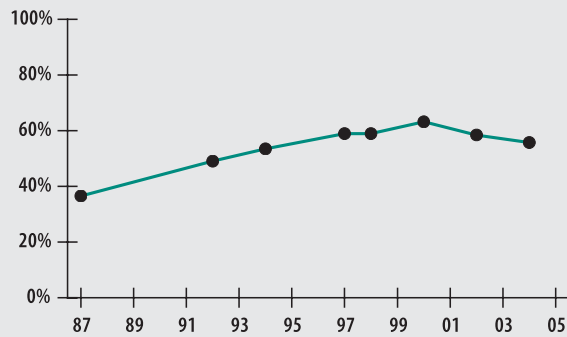
- PRIT

Custodian

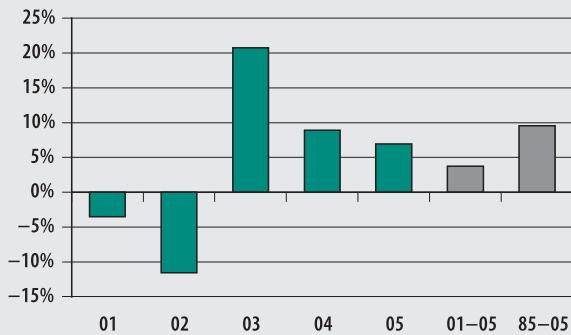
- Investors Bank & Trust

► 2005 Return	5.82%
► 2005 Target	8.32%
► 2005 Market Value	\$101.0 M
► 2001-2005 (Annualized)	4.26%
► 1985-2005 (Annualized)	10.13%

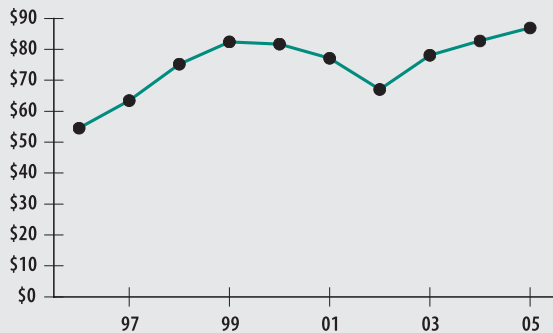
► **Funded Ratio (1987-2005)**



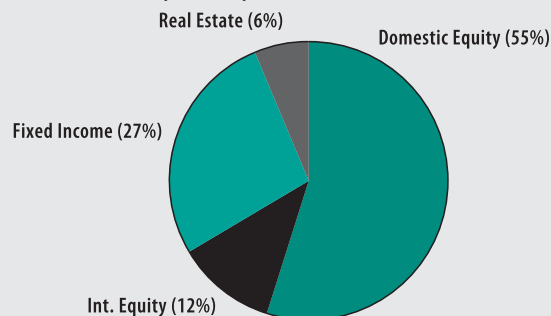
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	55.8%
• Date of Last Valuation	01/04
• Actuary	PERAC
• Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$68.0 M
• Total Pension Appropriation (Fiscal 2006)	\$6.7 M

	Active	Retired
• Number of Members	961	732
• Total Payroll/Benefit	\$25.5 M	\$9.8 M
• Average Salary/Benefit	\$26,500	\$13,400
• Average Age	47	72
• Average Service	10.9 years	NA

► **INVESTMENT**

Domestic Equity

- Freedom Capital Management Corporation
- Freedom Equity Style Fund
- Freedom Large Cap Value Fund
- Freedom Style Weighted Concentrated Fund
- Legacy Portfolio Management
- MassMutual Premier Small Company Opportunities Fund
- NWQ Investment Management Company, LLC

International Equity

- Freedom International Fund
- SSgA International Growth Opportunities Fund

Domestic Fixed Income

- Freedom Core Plus Fixed Income Fund

Real Estate

- Sentinel Realty Partners VI
- UBS Real Estate Separate Account (RESA)

Consultant

- Segal Advisors

Custodian

- State Street

► 2005 Return	6.97%
► 2005 Target	8.75%
► 2005 Market Value	\$86.9 M
► 2001-2005 (Annualized)	3.72%
► 1985-2005 (Annualized)	9.58%

Board Members

Thomas M. Kelley (Chairperson),
Shawn H. Duhamel, Richard A. Manfredi,
Bruce Miller, John E. Murphy, Jr.

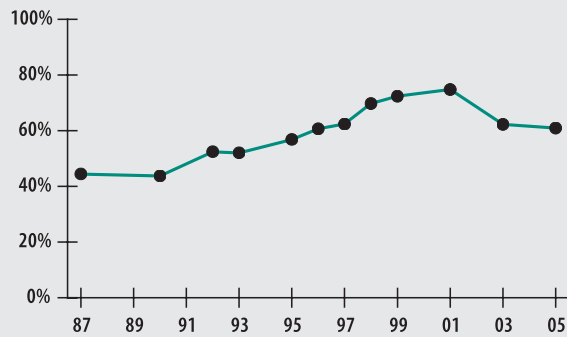
Board Administrator

Debra J. Sullivan

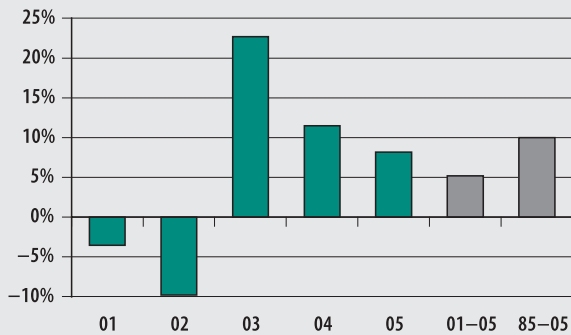
Board Meeting

Varies

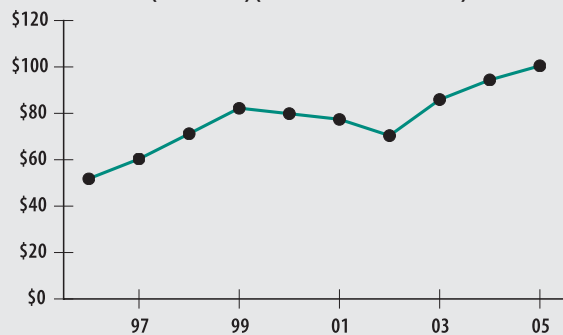
► **Funded Ratio (1987-2005)**



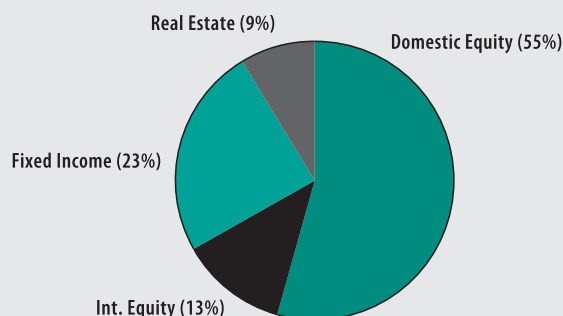
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	61.0%
• Date of Last Valuation	01/05
• Actuary	Stone
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$60.2 M
• Total Pension Appropriation (Fiscal 2006)	\$5.4 M

	Active	Retired
• Number of Members	1,000	483
• Total Payroll/Benefit	\$30.1 M	\$8.2 M
• Average Salary/Benefit	\$30,100	\$17,000
• Average Age	47	NA
• Average Service	10.1 years	NA

► **INVESTMENT**

Domestic Equity

- Boston Advisors, Inc.
- Earnest Partners, LLC
- SSgA S&P 500 Flagship Fund
- Wellington Trust Co.-CIF Research Equity Fund

International Equity

- Templeton Foreign Equity Series Fund

Domestic Fixed Income

- MacKay Shields High Yield Commingled Trust
- Wellington Trust Co.-CIF II Core Bond Fund

Real Estate

- Intercontinental Real Estate Investment Fund IV, LLC
- PRIT

Consultant

- Segal Advisors

Custodian

- State Street

► 2005 Return	8.19%
► 2005 Target	8.50%
► 2005 Market Value	\$100.4 M
► 2001-2005 (Annualized)	5.20%
► 1985-2005 (Annualized)	9.99%

Board Members

John F. McLellan (Chairperson),
John G. Duggan, James E. Harrington,
Joseph F. McDonough, John F. Sciara

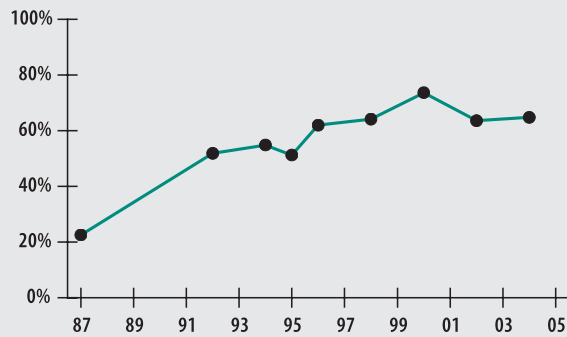
Board Administrator

William Farmer

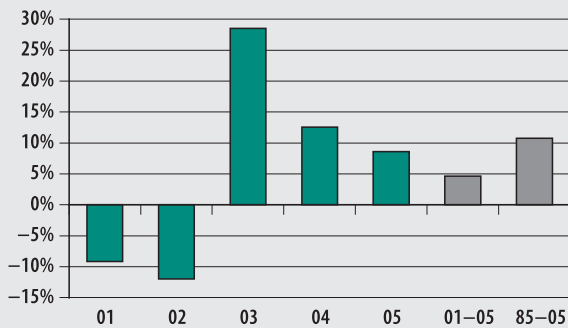
Board Meeting

Last Tuesday of each month

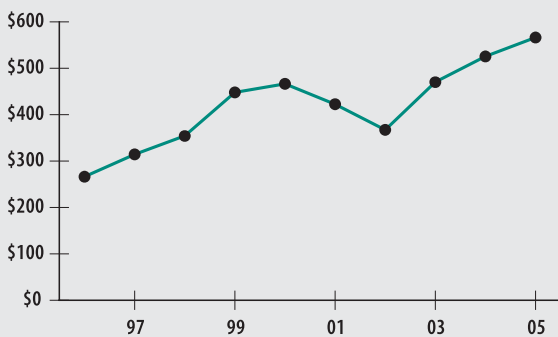
► **Funded Ratio (1987-2005)**



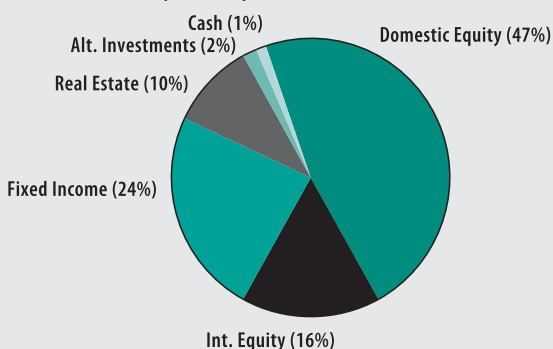
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	64.8%
• Date of Last Valuation	01/04
• Actuary	Mellon
• Assumed Rate of Return	8.50%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2026
• Unfunded Liability	\$282.1 M
• Total Pension Appropriation (Fiscal 2006)	\$30.8 M

	Active	Retired
• Number of Members	6,838	2,906
• Total Payroll/Benefit	\$208.3 M	\$40.3 M
• Average Salary/Benefit	\$30,500	\$13,900
• Average Age	NA	71
• Average Service	NA	NA

► **INVESTMENT**

Domestic Equity

- Boston Company Premier Value Equity Fund
- Columbia Management Group, Inc.
- Delaware Investment Advisors
- Independence Investment, LLC
- Putnam Mid Cap Growth Trust
- RhumbLine Russell 200 Index Fund
- Smith Asset Management Group, L.P.
- SSgA Russell 2000 Growth Index Fund

International Equity

- Acadian International All Cap Fund
- Boston Company Emerging Markets Pooled Fund
- Boston Company International Small Cap Equity Fund
- KBC Investment Trust
- SSgA/Rexiter Active Emerging Markets Fund

Domestic Fixed Income

- Income Research & Management
- McDonnell Investment Management, LLC
- SSgA Passive Bond Market Index Fund
- UBS (Brinson) U.S. Bond Relationship Fund

International Fixed Income

- Aberdeen International Bond Portfolio

Real Estate

- BlackRock Apartment Value Fund II & III, L.P.
- Intercontinental Real Estate Investment Fund III & IV, LLC

- INVESCO IRT Equity Real Estate Securities Fund
- Multi-Employer Property Trust
- SSgA Tuckerman—Multi-Family Development Program III
- SSgA Tuckerman / Property Redevelopment & Renovation Fund
- Prudential Real Estate Investors (PRISA Fund)

Alternative Investments

- Ascend Ventures II, L.P.
- Ascent Venture Partners IV, L.P.
- Charles River Partnership VI-A, VI, VIII, IX, X, XI
- DN Partners, L.P.
- DN Partners II, L.P.
- Leeds Weld Equity Partners IV, L.P.
- Levine Leichtman Capital Partners Deep Value Fund, L.P.
- LODH Euro Choice II
- Mesirow Financial Capital Partners IX
- New England Growth Fund I & II, L.P.
- Senior Tour Players Fund I

Commission Recapture

- Trading Partners

Consultant

- Wainwright Investment Counsel, LLC

Custodian

- State Street

► 2005 Return	8.62%
► 2005 Target	9.30%
► 2005 Market Value	\$565.8 M
► 2001-2005 (Annualized)	4.67%
► 1985-2005 (Annualized)	10.74%

Board Members

George F. McCray (Chairperson),
Richard P. Crespi, Richard D. Fitzpatrick,
Francis X. McCauley, Roger E. Perfetti

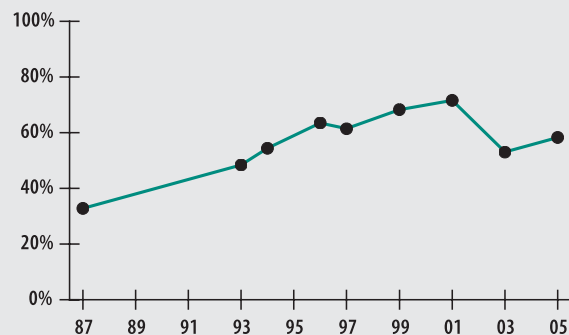
Board Administrator

Edward J. Masterson

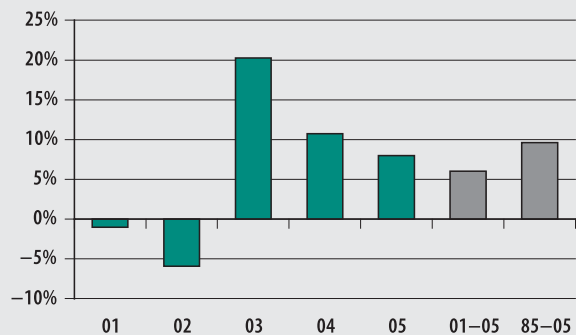
Board Meeting

Last Wednesday of each month at 10:00 am

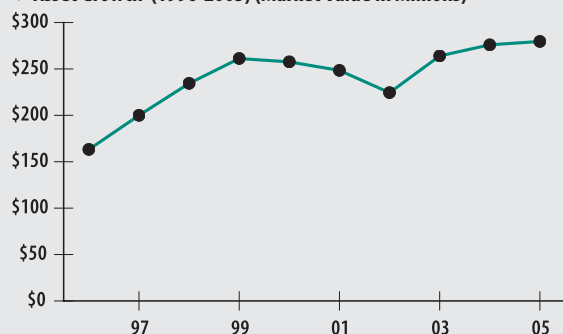
► Funded Ratio (1987-2005)



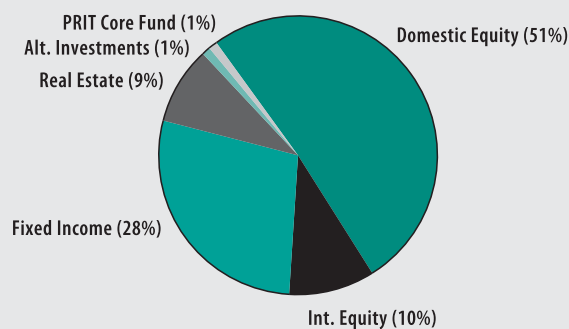
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	58.3%
• Date of Last Valuation	01/05
• Actuary	Stone
• Assumed Rate of Return	8.00%
• Funding Schedule	2.75% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$197.8 M
• Total Pension Appropriation (Fiscal 2006)	\$18.3 M

	Active	Retired
• Number of Members	1,339	1,773
• Total Payroll/Benefit	\$59.5 M	\$34.0 M
• Average Salary/Benefit	\$44,400	\$19,200
• Average Age	47	71
• Average Service	11.4 years	NA

► INVESTMENT

Domestic Equity

- Chicago Equity Partners
- Earnest Partners, LLC
- PENN Small Cap Fund
- RhumbLine Russell 1000 Growth Pooled Index Fund
- RhumbLine Russell 1000 Value Pooled Index Fund

International Equity

- INVESCO IRT International Equity Fund

Domestic Fixed Income

- GoldenTree High Yield Value Fund
- SSgA Passive Bond Market Index SL Fund

Real Estate

- UBS Participating Mortgage Separate Account (PMSA)
- UBS Real Estate Separate Account (RESA)

Alternative Investments

- PRIT

Core

- PRIT

Consultant

- Meketa Investment Group

Custodian

- State Street

► 2005 Return	7.98%
► 2005 Target	8.25%
► 2005 Market Value	\$279.5 M
► 2001-2005 (Annualized)	6.02%
► 1985-2005 (Annualized)	9.62%

Reading

16 Lowell Street
Reading, MA 01867
Phone 781-942-9007
Fax 781-942-9037

Board Members

Joseph R. Veno (Chairperson),
Francis P. Driscoll, Richard P. Foley,
Gail LaPointe, Daniel B. Seferian

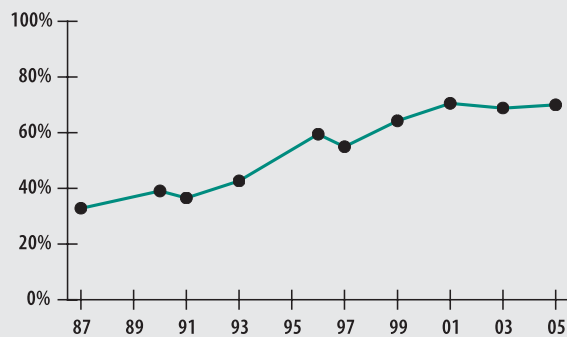
Board Administrator

Colleen Loughlin

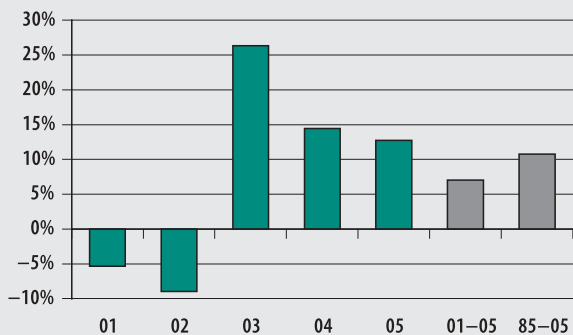
Board Meeting

Third or Fourth Wednesday of each month
at 6:00 pm

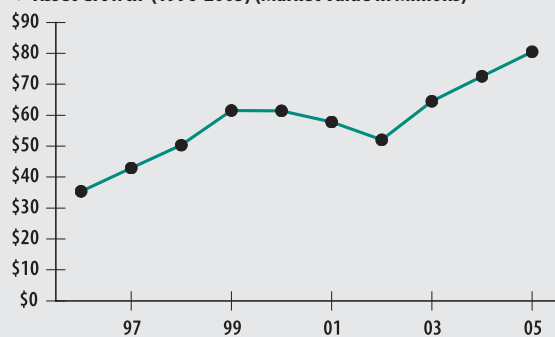
► Funded Ratio (1987-2005)



► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation

See page 121 for PRIT asset allocation chart.

► ACTUARIAL

• Funded Ratio	70.0%
• Date of Last Valuation	01/05
• Actuary	Segal
• Assumed Rate of Return	7.75%
• Funding Schedule	1.5% Increasing
• Year Fully Funded	2026
• Unfunded Liability	\$30.7 M
• Total Pension Appropriation (Fiscal 2006)	\$3.5 M

	Active	Retired
• Number of Members	352	328
• Total Payroll/Benefit	\$17.2 M	\$5.2 M
• Average Salary/Benefit	\$48,800	\$15,700
• Average Age	47	71
• Average Service	13.8 years	NA

► INVESTMENT

- PRIT

► 2005 Return	12.75%
► 2005 Target	8.30%
► 2005 Market Value	\$80.5 M
► 2001-2005 (Annualized)	7.03%
► 1985-2005 (Annualized)	10.79%

Revere

City Hall
281 Broadway
Revere, MA 02151
Phone 781-286-8173
Fax 781-284-6999

Board Members

Laurie Giardella (Chairperson),
Antonio Cafarelli, Michael Conley,
Steven Parsons, David Petrilli

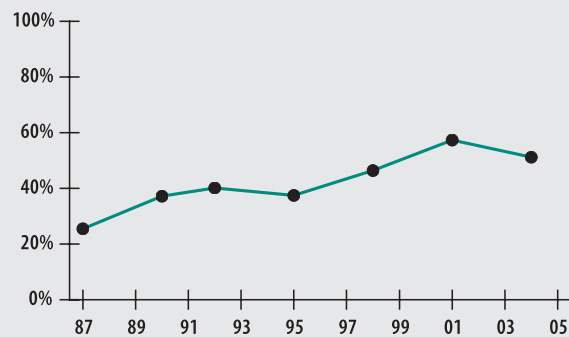
Board Administrator

Carolyn M. Russo

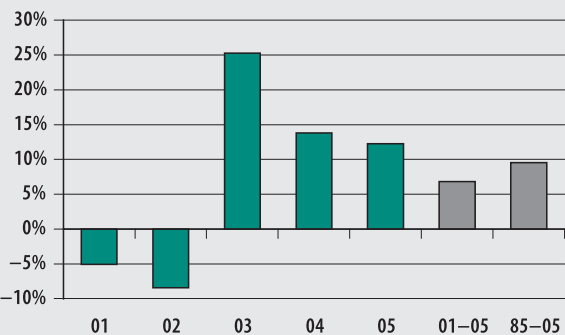
Board Meeting

Varies

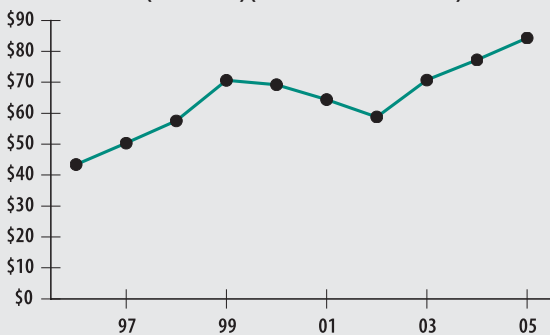
► Funded Ratio (1987-2005)



► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation

See page 121 for PRIT asset allocation chart.

► ACTUARIAL

• Funded Ratio	51.2%
• Date of Last Valuation	01/04
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	3.0% Increasing
• Year Fully Funded	2023
• Unfunded Liability	\$69.3 M
• Total Pension Appropriation (Fiscal 2006)	\$8.0 M

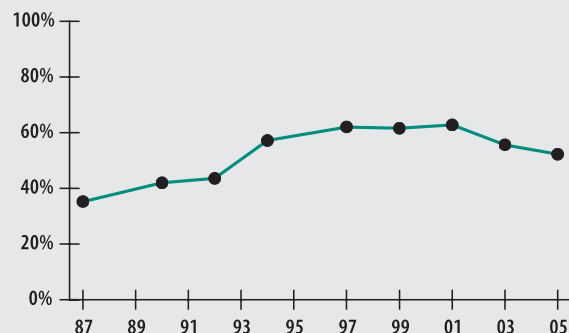
	Active	Retired
• Number of Members	412	583
• Total Payroll/Benefit	\$17.8 M	\$10.3 M
• Average Salary/Benefit	\$43,100	\$17,600
• Average Age	48	73
• Average Service	12.4 years	NA

► INVESTMENT

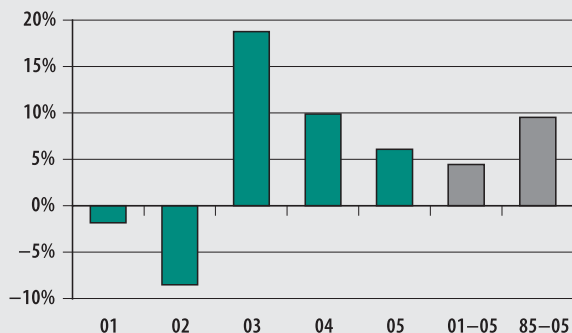
- PRIT

► 2005 Return	12.26%
► 2005 Target	8.30%
► 2005 Market Value	\$84.3 M
► 2001-2005 (Annualized)	6.83%
► 1985-2005 (Annualized)	9.54%

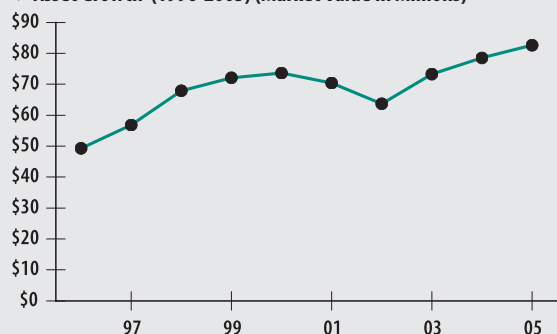
► **Funded Ratio (1987-2005)**



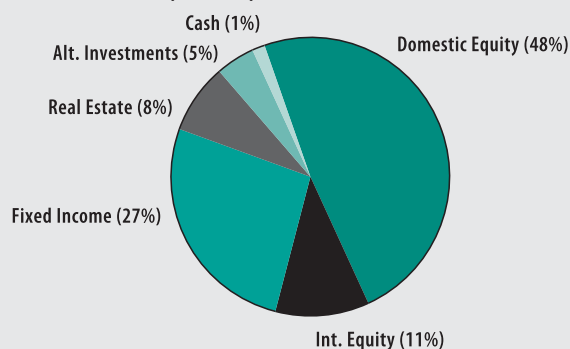
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	52.3%
• Date of Last Valuation	01/05
• Actuary	Buck
• Assumed Rate of Return	8.50%
• Funding Schedule	4.0% Increasing
• Year Fully Funded	2024
• Unfunded Liability	\$74.7 M
• Total Pension Appropriation (Fiscal 2006)	\$8.1 M

	Active	Retired
• Number of Members	840	617
• Total Payroll/Benefit	\$31.3 M	\$16.4 M
• Average Salary/Benefit	\$37,300	\$26,600
• Average Age	NA	NA
• Average Service	NA	NA

► **INVESTMENT**

Domestic Equity

- Copper Rock Capital Partners, LLC
- Freedom Equity Style Fund
- Freedom Large Cap Growth Fund
- Freedom Large Cap Value Fund
- Freedom Style-Weighted Concentrated Fund
- Gabelli Asset Management Company

International Equity

- Boston Company International Core Equity Fund

Domestic Fixed Income

- Freedom Core Plus Fixed Income Fund
- Income Research & Management

Real Estate

- Fidelity Real Estate Asset Manager III, L.P.
- Fidelity Real Estate Growth Fund II, L.P.
- INVESCO IRT Equity Real Estate Securities Fund

Alternative Investments

- Ascent Venture Partners III, L.P.
- First America Asia Fund I L.P.
- Zero Stage Capital VII, L.P.

Consultant

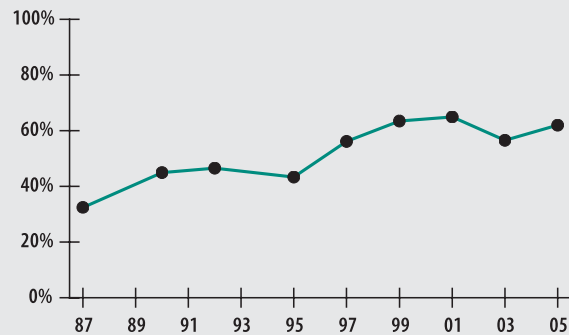
- Segal Advisors

Custodian

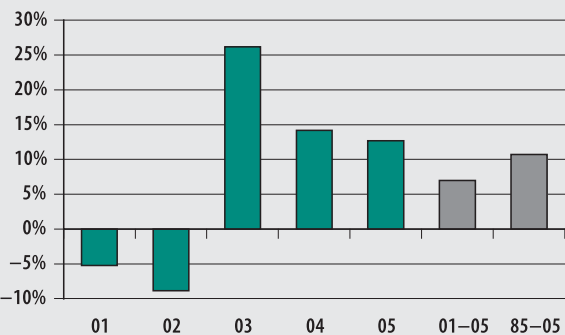
- State Street

► 2005 Return	6.10%
► 2005 Target	8.50%
► 2005 Market Value	\$82.6 M
► 2001-2005 (Annualized)	4.47%
► 1985-2005 (Annualized)	9.53%

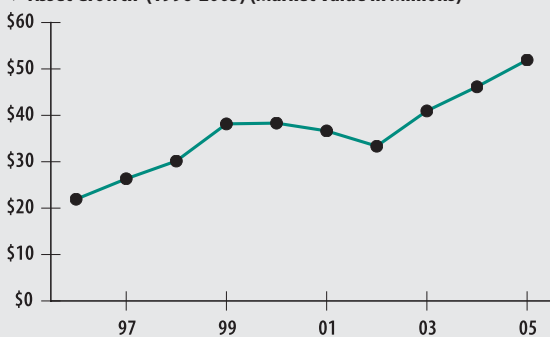
► **Funded Ratio (1987-2005)**



► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation**

See page 121 for PRIT asset allocation chart.

► **ACTUARIAL**

• Funded Ratio	62.0%
• Date of Last Valuation	01/05
• Actuary	PERAC
• Assumed Rate of Return	8.25%
• Funding Schedule	3.0% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$29.2 M
• Total Pension Appropriation (Fiscal 2006)	\$3.6 M

	Active	Retired
• Number of Members	330	294
• Total Payroll/Benefit	\$12.2 M	\$4.9 M
• Average Salary/Benefit	\$37,000	\$16,700
• Average Age	47	72
• Average Service	11.1 years	NA

► **INVESTMENT**

- PRIT

► 2005 Return	12.71%
► 2005 Target	8.30%
► 2005 Market Value	\$51.9 M
► 2001-2005 (Annualized)	7.01%
► 1985-2005 (Annualized)	10.72%

Board Members

Kevin M. McNeil (Chairperson),
Ann M. Dagle, Jay Montgomery,
Caryn M. Shea, Mary E. Thompson

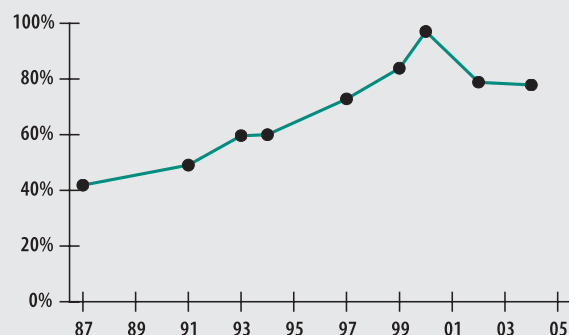
Board Administrator

Gail A. Sokolowski

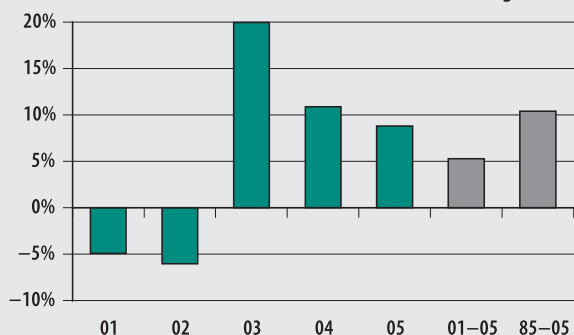
Board Meeting

Usually meets the second Friday of each month

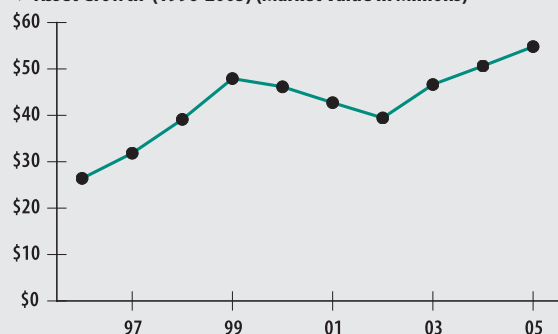
Funded Ratio (1987-2005)



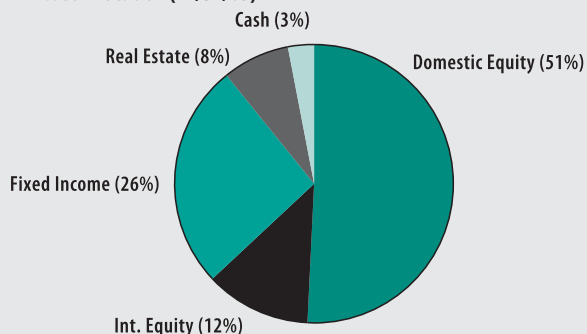
Investment Return (2001-2005, 5 Year and 21 Year Averages)



Asset Growth (1996-2005) (Market Value in Millions)



Asset Allocation (12/31/05)



ACTUARIAL

• Funded Ratio	77.9%
• Date of Last Valuation	01/04
• Actuary	Mellon
• Assumed Rate of Return	8.50%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2022
• Unfunded Liability	\$14.4 M
• Total Pension Appropriation (Fiscal 2006)	\$2.2 M

	Active	Retired
• Number of Members	578	227
• Total Payroll/Benefit	\$18.0 M	\$3.5 M
• Average Salary/Benefit	\$31,100	\$15,400
• Average Age	NA	74
• Average Service	NA	NA

INVESTMENT

Domestic Equity

- Atlanta Capital Management Company, Inc.
- C.S. McKee, L.P.
- Marvin & Palmer U.S. Equity, L.P.
- RhumbLine S&P 500 Pooled Index Fund
- RhumbLine S&P Mid-Cap 400 Pooled Index Fund

International Equity

- SSgA All International Allocation Common Trust Fund

Domestic Fixed Income

- IR&M Core Bond Fund

Real Estate

- PRIT

Consultant

- Dahab Associates

Custodian

- Investors Bank & Trust

► 2005 Return	8.82%
► 2005 Target	8.50%
► 2005 Market Value	\$54.8 M
► 2001-2005 (Annualized)	5.28%
► 1985-2005 (Annualized)	10.42%

Board Members

John M. Memory (Chairperson),
Edward F. Bean, Jr., Lawrence Murphy,
Mary A. Phinney, John E. Rourke

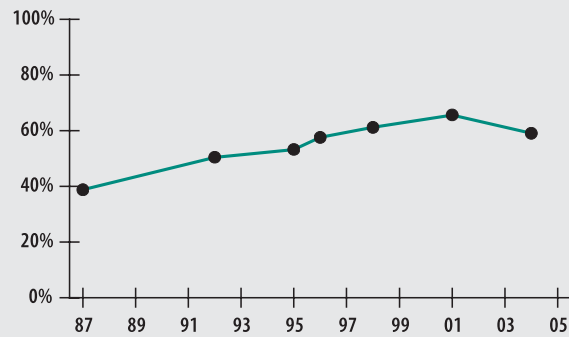
Board Administrator

Mary A. Phinney

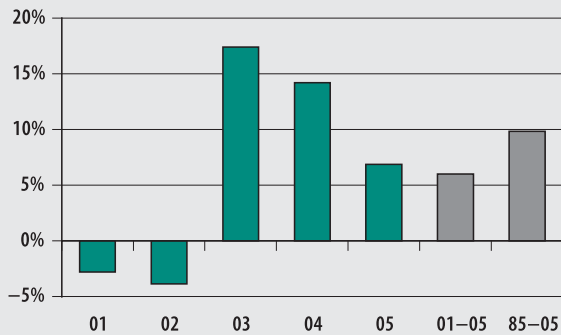
Board Meeting

Third Thursday of each month at 8:30 am

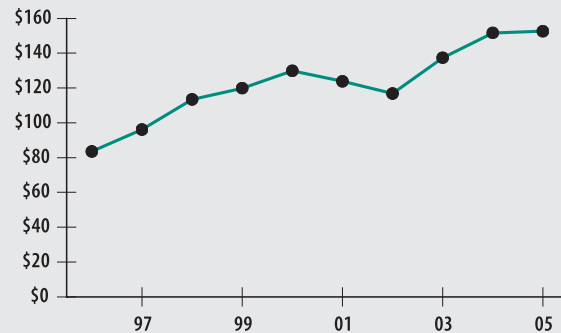
Funded Ratio (1987-2005)



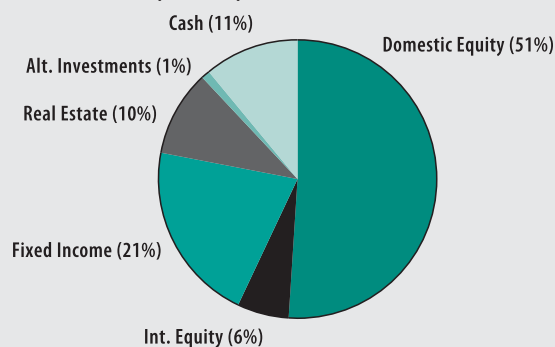
Investment Return (2001-2005, 5 Year and 21 Year Averages)



Asset Growth (1996-2005) (Market Value in Millions)



Asset Allocation (12/31/05)



ACTUARIAL

• Funded Ratio	59.1%
• Date of Last Valuation	01/04
• Actuary	Mellon
• Assumed Rate of Return	8.25%
• Funding Schedule	4.0% Increasing
• Year Fully Funded	2025
• Unfunded Liability	\$100.9 M
• Total Pension Appropriation (Fiscal 2006)	\$11.0 M

	Active	Retired
• Number of Members	1,069	927
• Total Payroll/Benefit	\$43.9 M	\$16.3 M
• Average Salary/Benefit	\$41,000	\$17,500
• Average Age	NA	73
• Average Service	NA	NA

INVESTMENT

Domestic Equity

- Boston Advisors, Inc.
- Congress Asset Management
- RhumbLine S&P 500 Pooled Index Fund
- RhumbLine S&P Mid-Cap 400 Pooled Index Fund
- RhumbLine S&P Small Cap Pooled Index Fund

International Equity

- Lazard Freres International Equity Fund

Domestic Fixed Income

- Boston Advisors, Inc.
- Loomis Sayles Fixed Income Fund

Real Estate

- BlackRock Apartment Value Fund II & III, L.P.
- GPA Government Properties Fund I
- UBS Real Estate Separate Account (RESA)

Alternative Investments

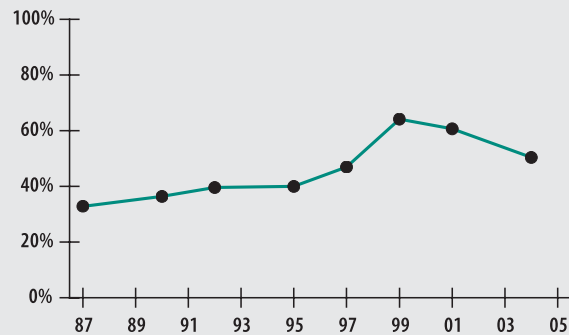
- Crescent Gate Partners, LLC

Custodian

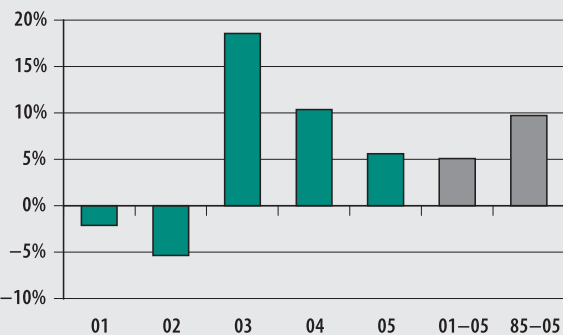
- Investors Bank & Trust

► 2005 Return	6.87%
► 2005 Target	10.27%
► 2005 Market Value	\$152.6 M
► 2001-2005 (Annualized)	6.03%
► 1985-2005 (Annualized)	9.84%

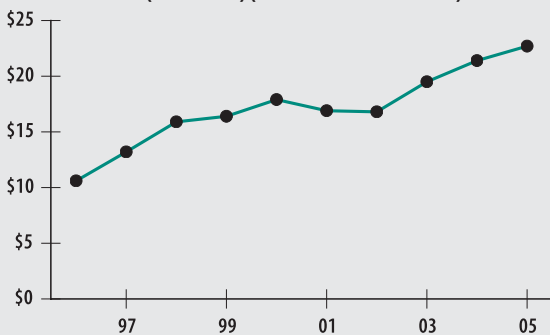
► Funded Ratio (1987-2005)



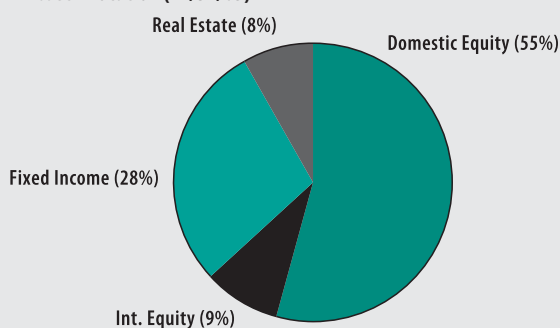
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	50.4%
• Date of Last Valuation	01/04
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$19.9 M
• Total Pension Appropriation (Fiscal 2006)	\$1.8 M

	Active	Retired
• Number of Members	314	160
• Total Payroll/Benefit	\$9.7 M	\$2.0 M
• Average Salary/Benefit	\$31,000	\$12,700
• Average Age	43	71
• Average Service	9.0 years	NA

► INVESTMENT

Domestic Equity

- Freedom Equity Style Fund
- Freedom Large Cap Growth Fund
- Freedom Large Cap Value Fund
- Independence Small Cap Fund

International Equity

- INVESCO IRT International Equity Fund

Domestic Fixed Income

- Freedom Capital Management Corporation
- Freedom Core Plus Fixed Income Fund

Real Estate

- Clarion Lion Properties Fund
- INVESCO IRT Equity Real Estate Securities Fund

Consultant

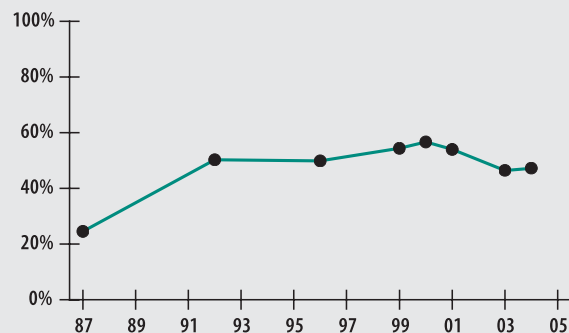
- Segal Advisors

Custodian

- State Street

► 2005 Return	5.63%
► 2005 Target	8.50%
► 2005 Market Value	\$22.7 M
► 2001-2005 (Annualized)	5.08%
► 1985-2005 (Annualized)	9.75%

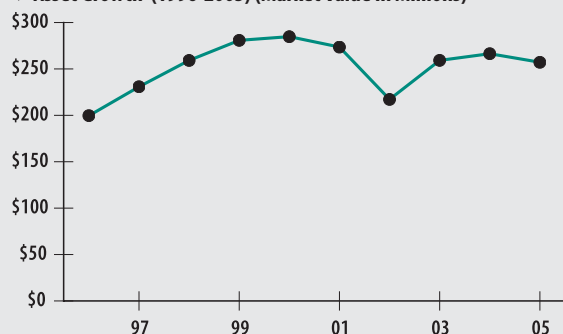
► **Funded Ratio (1987-2005)**



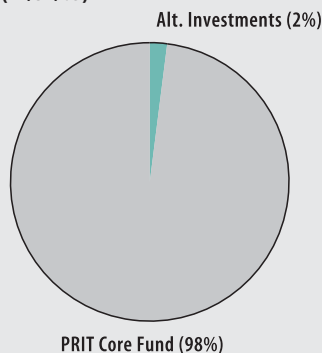
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	47.3%
• Date of Last Valuation	01/04
• Actuary	Mellon
• Assumed Rate of Return	8.50%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$324.6 M
• Total Pension Appropriation (Fiscal 2006)	\$25.4 M

	Active	Retired
• Number of Members	3,365	2,933
• Total Payroll/Benefit	\$109.9 M	\$43.7 M
• Average Salary/Benefit	\$32,700	\$14,900
• Average Age	NA	72
• Average Service	NA	NA

► **INVESTMENT**

Alternative Investments

- Ascend Ventures, L.P.
- Boston Millennia Partners, L.P.
- Boston Millennia Partners II, L.P.
- Crescendo IV, L.P.
- Crescendo World Fund
- DN Partners
- Ticonderoga e-Services I, L.P.

Core

- PRIT

► 2005 Return	6.91%
► 2005 Target	8.50%
► 2005 Market Value	\$256.9 M
► 2001-2005 (Annualized)	3.23%
► 1985-2005 (Annualized)	9.54%

State

One Ashburton Place
Room 1219
Boston, MA 02108
Phone 617-367-7770
Fax 617-723-1438

Board Members

Treasurer Timothy P. Cahill (Chairperson),
Christopher S. Condon, Theresa McGoldrick,
Peter J. Koutoujian, Sr., Ralph White

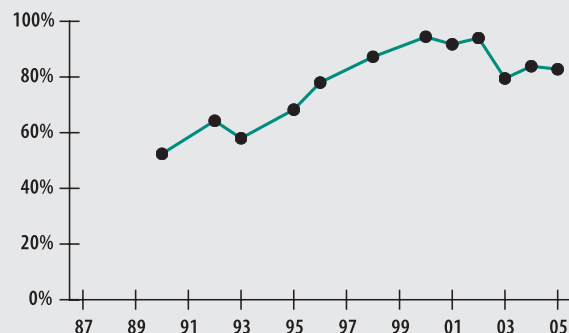
Board Administrator

Nicola Favorito, Esq.

Board Meeting

Last Thursday of each month

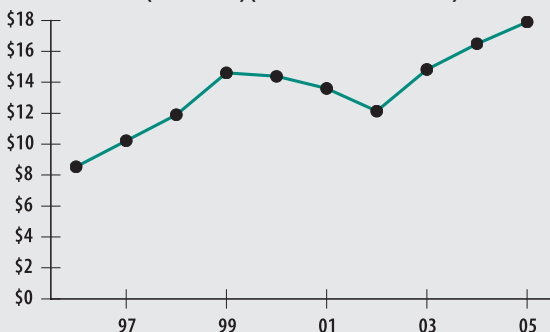
► Funded Ratio (1987-2005)



► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Billions)



► Asset Allocation

See page 121 for PRIT asset allocation chart.

► ACTUARIAL

• Funded Ratio	82.8%
• Date of Last Valuation	01/05
• Actuary	PERAC
• Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2023
• Unfunded Liability	\$3.4 B
• Total Pension Appropriation (Fiscal 2006)	\$416.0 M

	Active	Retired
• Number of Members	81,682	50,907
• Total Payroll/Benefit	\$4.0 B	\$1.0 B
• Average Salary/Benefit	\$48,600	\$20,500
• Average Age	45	71
• Average Service	12.1 years	NA

► INVESTMENT

- PRIT

► 2005 Return	12.79%
► 2005 Target	8.12%
► 2005 Market Value	\$17.9 B
► 2001-2005 (Annualized)	7.05%
► 1985-2005 (Annualized)	11.08%

State Teachers

New Board Name
(Effective May 15, 2006):
Massachusetts Teachers

One Charles Park
Cambridge, MA 02142-1206
Phone 617-679-MTRS (6877)
Fax 617-679-1661

Board Members

David P. Driscoll (Chairperson),
Treasurer Timothy P. Cahill, Auditor A. Joseph
DeNucci, John A. M. Dow, Jr., Ellen T. Hargraves,
George F. McSherry, Linda M. Ruberto

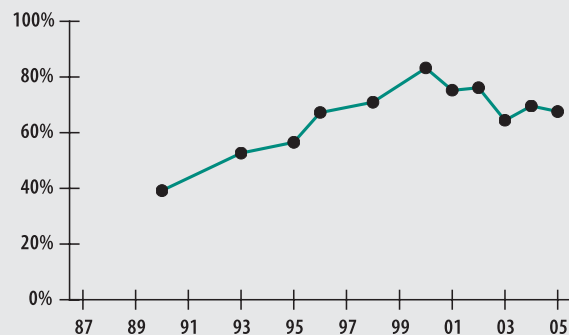
Board Administrator

Joan Schloss

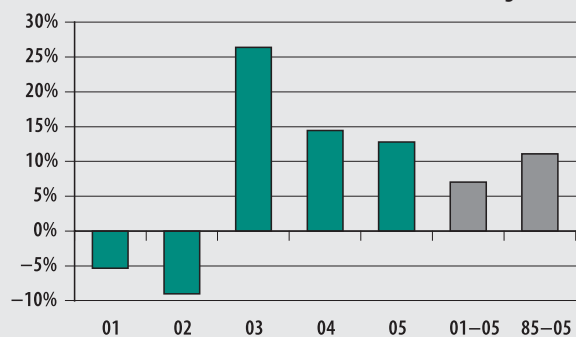
Board Meeting

Varies

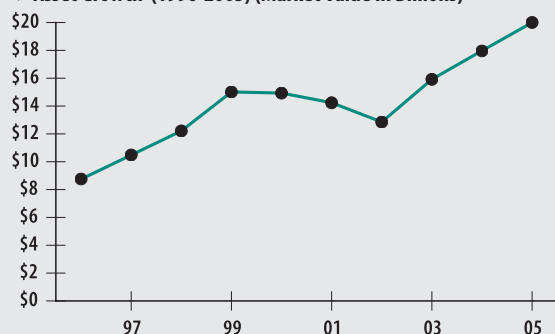
► Funded Ratio (1987-2005)



► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Billions)



► Asset Allocation

See page 121 for PRIT asset allocation chart.

► ACTUARIAL

• Funded Ratio	67.6%
• Date of Last Valuation	01/05
• Actuary	PERAC
• Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2023
• Unfunded Liability	\$8.5 B
• Total Pension Appropriation (Fiscal 2006)	\$727.0 M

	Active	Retired
• Number of Members	88,027	42,164
• Total Payroll/Benefit	\$4.6 B	\$1.2 B
• Average Salary/Benefit	\$52,700	\$29,200
• Average Age	45	70
• Average Service	14.2 years	NA

► INVESTMENT

- PRIT

► 2005 Return	12.81%
► 2005 Target	8.12%
► 2005 Market Value	\$20.0 B
► 2001-2005 (Annualized)	7.05%
► 1985-2005 (Annualized)	11.09%

Stoneham

Town Hall
35 Central Street
Stoneham, MA 02180-2087
Phone 781-279-2635
Fax 781-438-6906

Board Members

Janice T. Houghton (Chairperson),
Ronald L. Castignetti, Ronald F. Florino,
James J. McDermott, Jr., Elsie M. Wallace

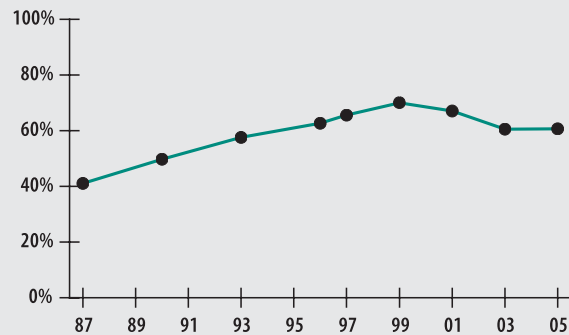
Board Administrator

Elsie M. Wallace

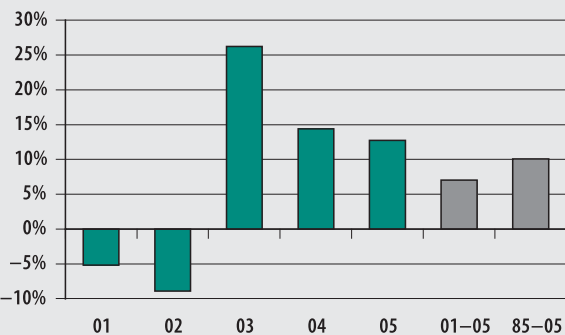
Board Meeting

Last Tuesday of each month at 1:00 pm

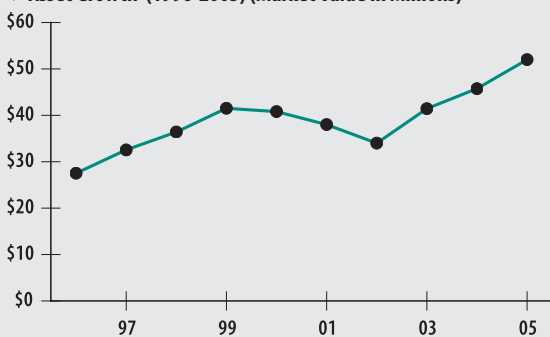
► Funded Ratio (1987-2005)



► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation

See page 121 for PRIT asset allocation chart.

► ACTUARIAL

• Funded Ratio	60.7%
• Date of Last Valuation	01/05
• Actuary	Buck
• Assumed Rate of Return	8.00%
• Funding Schedule	3.5% Increasing
• Year Fully Funded	2020
• Unfunded Liability	\$30.0 M
• Total Pension Appropriation (Fiscal 2006)	\$3.9 M

	Active	Retired
• Number of Members	305	293
• Total Payroll/Benefit	\$11.7 M	\$4.9 M
• Average Salary/Benefit	\$38,300	\$16,600
• Average Age	NA	73
• Average Service	NA	NA

► INVESTMENT

- PRIT

► 2005 Return	12.74%
► 2005 Target	8.30%
► 2005 Market Value	\$52.0 M
► 2001-2005 (Annualized)	7.04%
► 1985-2005 (Annualized)	10.09%

Board Members

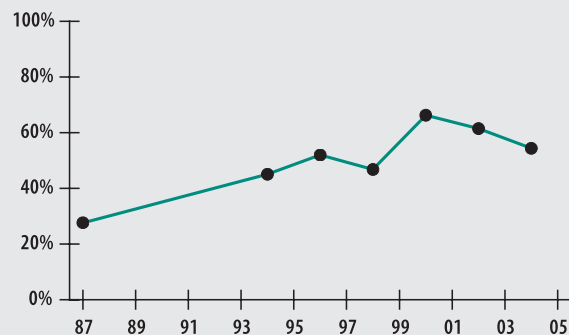
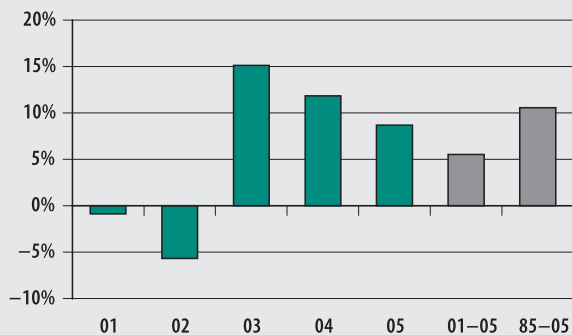
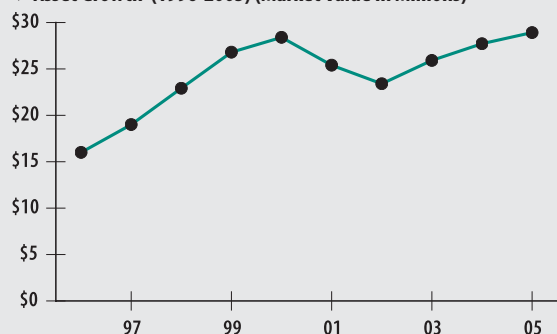
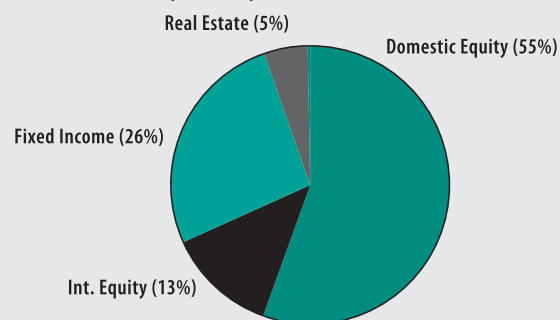
Francis E. Delano, Jr. (Chairperson),
John F. Behen, Jr., David Castellarin,
Thomas H. Driscoll, Jr., Esq., John T. Kiely, Jr.

Board Administrator

Richard P. DiPesa, Esq.

Board Meeting

Generally the third Wednesday of each month at 9:00 am

► Funded Ratio (1987-2005)

► Investment Return (2001-2005, 5 Year and 21 Year Averages)

► Asset Growth (1996-2005) (Market Value in Millions)

► Asset Allocation (12/31/05)

► ACTUARIAL

• Funded Ratio	54.4%
• Date of Last Valuation	01/04
• Actuary	Segal
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$24.1 M
• Total Pension Appropriation (Fiscal 2006)	\$2.6 M

	Active	Retired
• Number of Members	263	229
• Total Payroll/Benefit	\$9.0 M	\$3.6 M
• Average Salary/Benefit	\$34,400	\$15,900
• Average Age	43	NA
• Average Service	9.2 years	NA

► INVESTMENT
Domestic Equity

- Chase Investment Counsel Corporation
- Eaton Vance Large Cap Value Fund
- Independence Investment, LLC

International Equity

- INVESCO IRT International Equity Fund

Domestic Fixed Income

- Wells Capital Management, Inc.

Real Estate

- Intercontinental Real Estate Investment Fund III, LLC

Alternative Investments

- Piper Jaffray Private Equity Partners II

Consultant

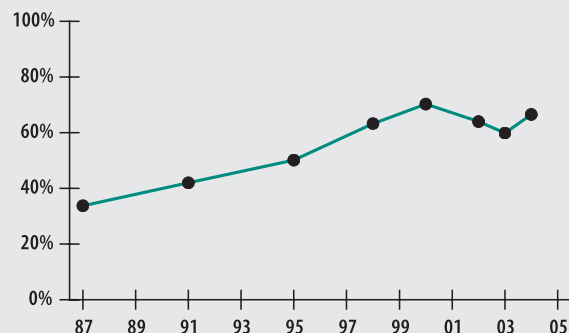
- Segal Advisors

Custodian

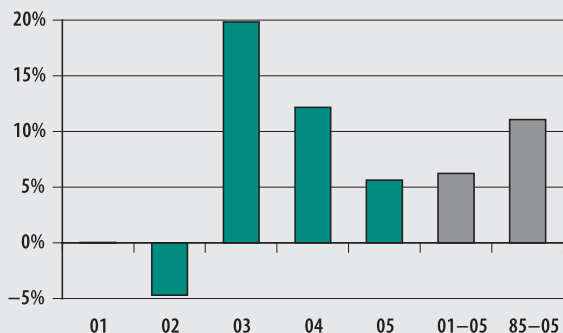
- Investors Bank & Trust

► 2005 Return	8.71%
► 2005 Target	8.25%
► 2005 Market Value	\$28.9 M
► 2001-2005 (Annualized)	5.53%
► 1985-2005 (Annualized)	10.59%

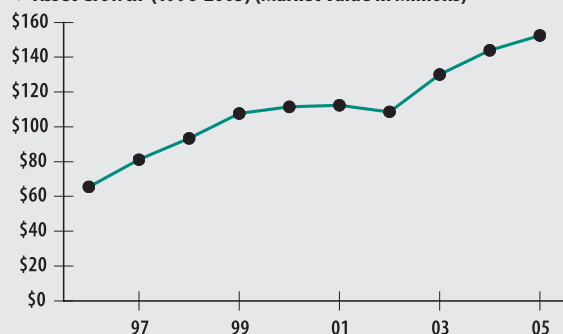
► **Funded Ratio (1987-2005)**



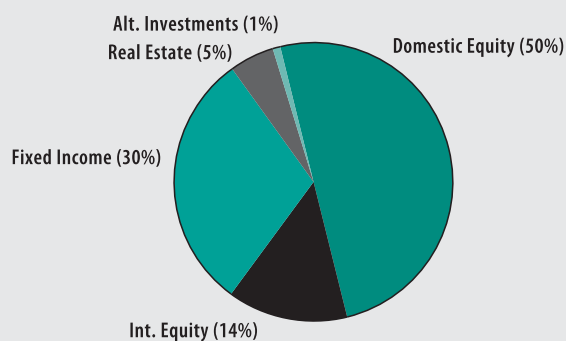
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	66.6%
• Date of Last Valuation	01/04
• Actuary	Buck
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2026 (Active) 2015 (Retired)
• Unfunded Liability	\$67.5 M
• Total Pension Appropriation (Fiscal 2006)	\$9.3 M

	Active	Retired
• Number of Members	1,267	663
• Total Payroll/Benefit	\$44.8 M	\$10.6 M
• Average Salary/Benefit	\$35,300	\$16,000
• Average Age	46	NA
• Average Service	11.7 years	NA

► **INVESTMENT**

Domestic Equity

- Boston Trust & Investment Management Company
- Daruma Asset Management

Custodian

- State Street

International Equity

- Boston Company International Equity Fund
- EuroPacific Growth Fund

Domestic Fixed Income

- Boston Trust & Investment Management Company
- Wellington Trust Co.-CIF II Core Plus Bond Portfolio

Real Estate

- Fidelity Real Estate Growth Fund, L.P.
- Intercontinental Real Estate Investment Fund III, LLC
- INVESCO Core Real Estate Fund
- INVESCO IRT Equity Real Estate Securities Fund
- L&B Property Fund IV

Alternative Investments

- Boston Millennia Partners, L.P.
- Boston Millennia Partners II, L.P.
- INVESCO Venture Partnership Fund IV, L.P.

Consultant

- Segal Advisors

► 2005 Return	5.65%
► 2005 Target	8.50%
► 2005 Market Value	\$152.5 M
► 2001-2005 (Annualized)	6.26%
► 1985-2005 (Annualized)	11.07%

Board Members

Kevin Gill (Chairperson), Daniel Calore,
Richard J. DeFelice, Philip Rogers, Sr.,
Daniel Sherman

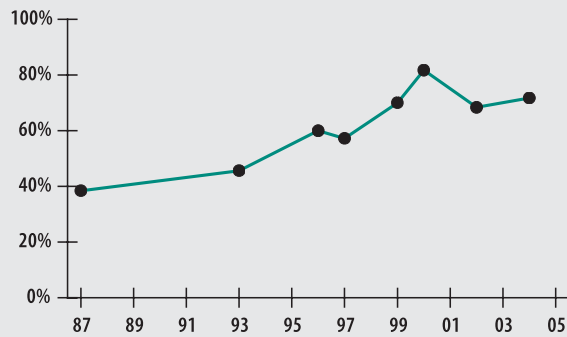
Board Administrator

Cathy Cheek

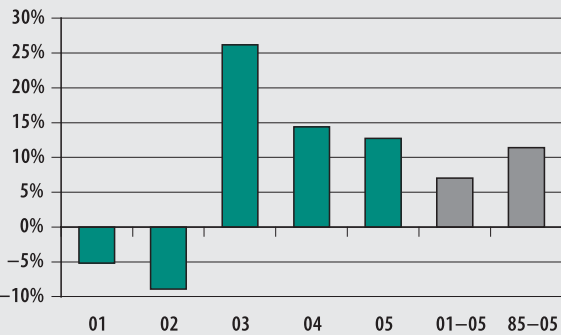
Board Meeting

Third Thursday of each month

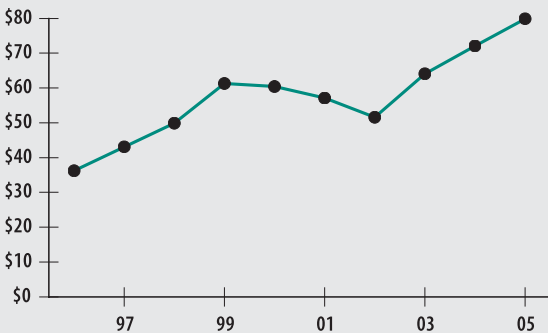
► **Funded Ratio (1987-2005)**



► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation**

See page 121 for PRIT asset allocation chart.

► **ACTUARIAL**

• Funded Ratio	71.8%
• Date of Last Valuation	01/04
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2026
• Unfunded Liability	\$26.2 M
• Total Pension Appropriation (Fiscal 2006)	\$3.3 M

	Active	Retired
• Number of Members	445	331
• Total Payroll/Benefit	\$16.2 M	\$4.8 M
• Average Salary/Benefit	\$36,400	\$14,600
• Average Age	48	74
• Average Service	12.6 years	NA

► **INVESTMENT**

- PRIT

► 2005 Return	12.76%
► 2005 Target	8.30%
► 2005 Market Value	\$79.9 M
► 2001-2005 (Annualized)	7.05%
► 1985-2005 (Annualized)	11.39%

Board Members

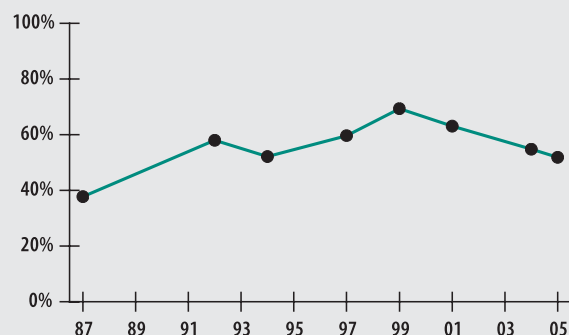
John J. Gorman (Chairperson),
William R. MacDonald, Thomas J. Magno,
Dennis P. Quinn, Mary W. Rosen

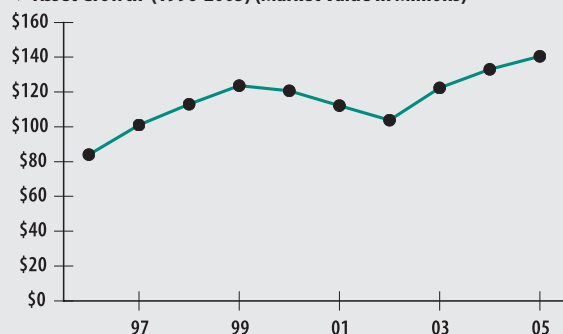
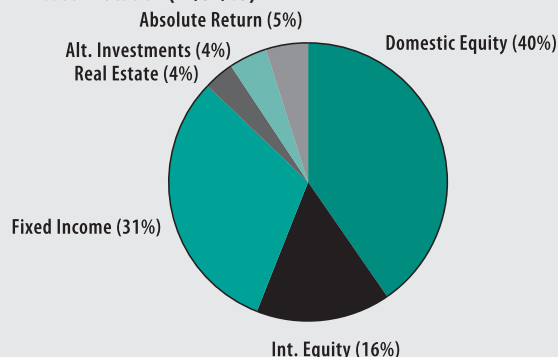
Board Administrator

Joseph F. Juppé

Board Meeting

Varies

► Funded Ratio (1987-2005)

► Investment Return (2001-2005, 5 Year and 21 Year Averages)

► Asset Growth (1996-2005) (Market Value in Millions)

► Asset Allocation (12/31/05)

► ACTUARIAL

• Funded Ratio	51.9%
• Date of Last Valuation	01/05
• Actuary	Buck
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2026
• Unfunded Liability	\$122.7 M
• Total Pension Appropriation (Fiscal 2006)	\$11.0 M

	Active	Retired
• Number of Members	928	807
• Total Payroll/Benefit	\$42.3 M	NA
• Average Salary/Benefit	\$45,600	NA
• Average Age	45	NA
• Average Service	11.8 years	NA

► INVESTMENT
Domestic Equity

- Earnest Partners, LLC
- Independence Investments, LLC
- SSgA Russell 1000 Growth Index Fund
- SSgA Russell 1000 Value Index Fund

International Equity

- GMO Foreign Fund ERISA Pool

Domestic Fixed Income

- CMG High Yield Fund
- Credit Suisse Asset Management

International Fixed Income

- Wellington Trust Co.-CIF International Bond Unhedged Portfolio

Real Estate

- Geometry Real Estate III, L.P.
- Intercontinental Real Estate Investment Fund III, LLC
- SSgA Tuckerman - Multi-Family Development Program II
- SSgA Tuckerman - Residential Income and Value Added (RIVA) Fund

Alternative Investments

- Ascent Venture Partners III, L.P.
- INVESCO Non-U.S. Partnership Fund II, L.P.
- INVESCO U.S. Buyout Partnership Fund II, L.P.
- INVESCO Venture Partnership Fund III, L.P.

- VSS Mezzanine Partners, L.P.

Absolute Return

- PRIT

Commission Recapture

- Lynch, Jones & Ryan
- Rochdale Securities Corp

Consultant

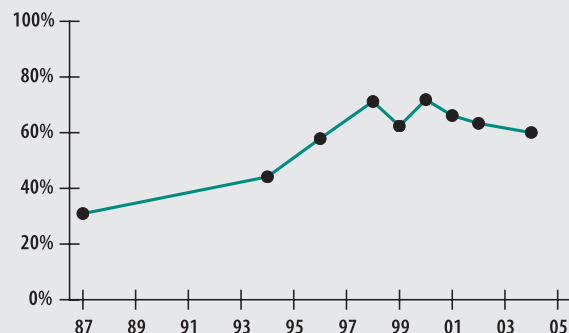
- Wainwright Investment Counsel, LLC

Custodian

- State Street

► 2005 Return	6.98%
► 2005 Target	8.80%
► 2005 Market Value	\$140.5 M
► 2001-2005 (Annualized)	4.60%
► 1985-2005 (Annualized)	10.09%

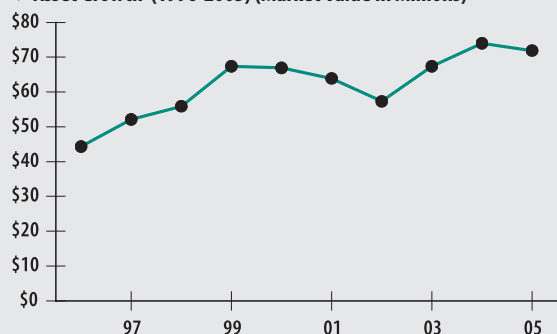
► Funded Ratio (1987-2005)



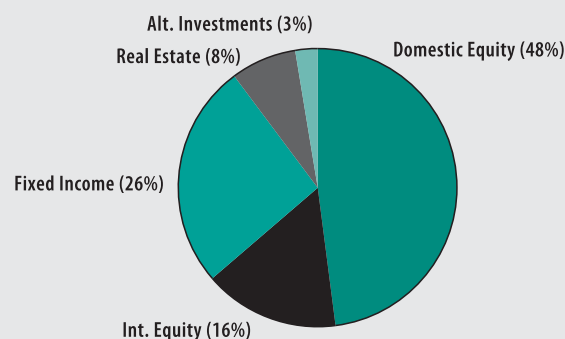
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	60.1%
• Date of Last Valuation	01/04
• Actuary	Mellon
• Assumed Rate of Return	8.00%
• Funding Schedule	2.5% Increasing
• Year Fully Funded	2019
• Unfunded Liability	\$48.1 M
• Total Pension Appropriation (Fiscal 2006)	\$6.6 M

	Active	Retired
• Number of Members	522	443
• Total Payroll/Benefit	\$21.7 M	\$8.6 M
• Average Salary/Benefit	\$41,500	\$19,300
• Average Age	NA	74
• Average Service	NA	NA

► INVESTMENT

Domestic Equity

- Hutchens Investment Management, Inc.
- SSgA S&P 500 Flagship Fund
- Wellington Trust Co.-CIF Small Cap Fund
- Wellington Trust Co.-CIF Mid Growth Portfolio

Consultant

- Wainwright Investment Counsel, LLC

Custodian

- Investors Bank & Trust

International Equity

- Boston Company International Equity Fund

Domestic Fixed Income

- Fox Asset Management
- IR&M Core Bond Fund
- SSgA Passive Bond Market Index SL Fund

International Fixed Income

- Rogge International Bond Fund

Real Estate

- Clarion Lion Properties Fund
- Intercontinental Real Estate Investment Fund III & IV, LLC
- New Boston Institutional Fund, L.P. VI

Alternative Investments

- Auda Ventures, L.P.
- Novo Vita, L.P.
- Novus Ventures II, L.P.

Commission Recapture

- Rochdale Securities Corp.

► 2005 Return	5.76%
► 2005 Target	9.21%
► 2005 Market Value	\$71.9 M
► 2001-2005 (Annualized)	5.03%
► 1985-2005 (Annualized)	9.47%

Board Members

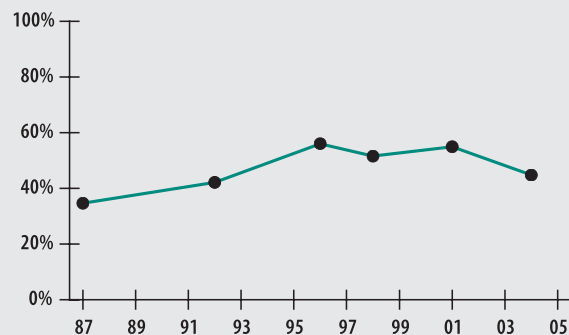
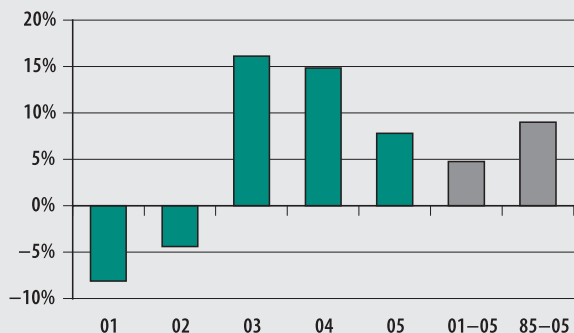
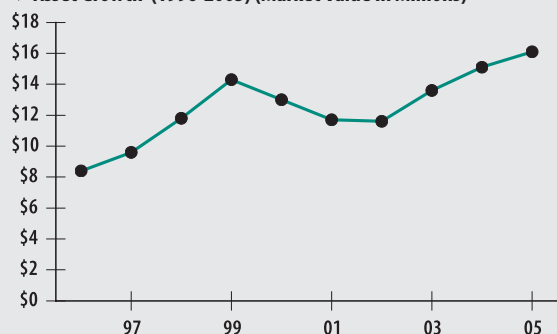
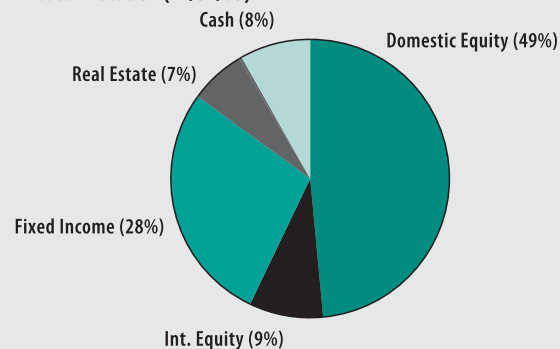
Paul J. Minarik (Chairperson),
Daniel Bonnette, Eleanor P. Doros,
Pamela A. Leduc, Louis T. Polletta

Board Administrator

Gerry Wentworth

Board Meeting

Third Wednesday of each month

► Funded Ratio (1987-2005)

► Investment Return (2001-2005, 5 Year and 21 Year Averages)

► Asset Growth (1996-2005) (Market Value in Millions)

► Asset Allocation (12/31/05)

► ACTUARIAL

• Funded Ratio	44.8%
• Date of Last Valuation	01/04
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$17.3 M
• Total Pension Appropriation (Fiscal 2006)	\$1.3 M

	Active	Retired
• Number of Members	192	125
• Total Payroll/Benefit	\$6.6 M	\$1.7 M
• Average Salary/Benefit	\$34,600	\$13,600
• Average Age	46	72
• Average Service	12.4 years	NA

► INVESTMENT
Domestic Equity

- Independence Investments, LLC
- RhumbLine Russell 1000 Pooled Index Fund

International Equity

- INVESCO IRT International Equity Fund

Domestic Fixed Income

- Loomis Sayles Investment Grade Fixed Income Fund

Real Estate

- PRIT

Alternative Investments

- PRIT

Consultant

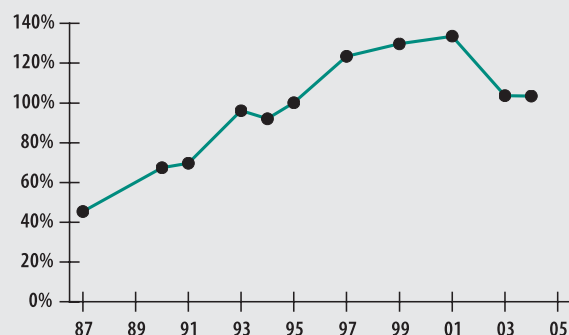
- Wainwright Investment Counsel, LLC

Custodian

- Investors Bank & Trust

► 2005 Return	7.80%
► 2005 Target	8.70%
► 2005 Market Value	\$16.1 M
► 2001-2005 (Annualized)	4.79%
► 1985-2005 (Annualized)	9.01%

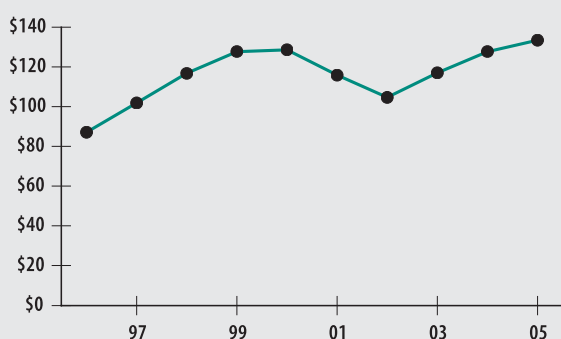
► **Funded Ratio (1987-2005)**



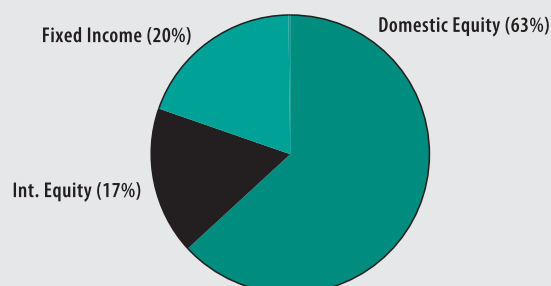
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	103.5%
• Date of Last Valuation	01/04
• Actuary	Mellon
• Assumed Rate of Return	7.50%
• Funding Schedule	Fully funded
• Year Fully Funded	NA
• Unfunded Liability	(\$3.9) M
• Total Pension Appropriation (Fiscal 2006)	\$0

	Active	Retired
• Number of Members	595	414
• Total Payroll/Benefit	\$23.2 M	\$7.4 M
• Average Salary/Benefit	\$38,900	\$17,800
• Average Age	NA	73
• Average Service	NA	NA

► **INVESTMENT**

Domestic Equity

- Boston Company Small Cap Equity Fund
- SSgA Active U.S. Large Cap Value Fund
- SSgA S&P 500 Flagship Fund
- William Blair & Company, LLC

International Equity

- Boston Company International Core Equity Fund

Domestic Fixed Income

- Standish Mellon Asset Management
- Standish Mellon Opportunistic High Yield Fund

International Fixed Income

- Standish Mellon International Fixed Income Fund
- Standish Mellon Opportunistic Emerging Markets Debt Fund

Real Estate

- PRIT

Alternative Investments

- PRIT

Consultant

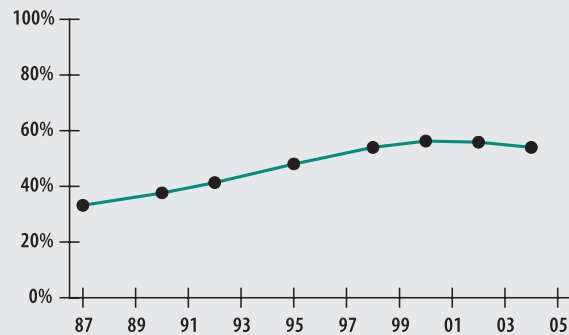
- Mercer Investment consultants

Custodian

- State Street

► 2005 Return	9.98%
► 2005 Target	7.70%
► 2005 Market Value	\$133.4 M
► 2001-2005 (Annualized)	6.03%
► 1985-2005 (Annualized)	12.05%

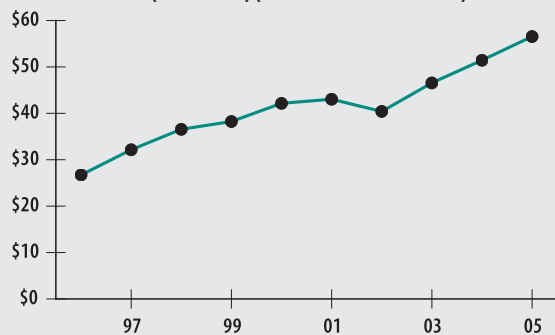
► **Funded Ratio (1987-2005)**



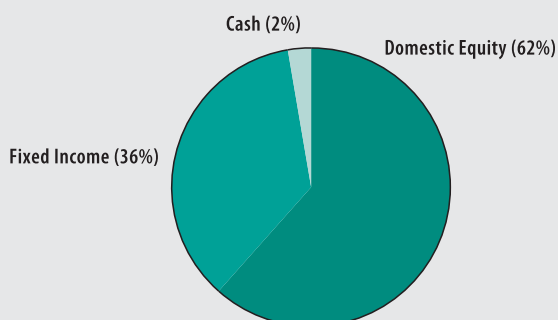
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	54.0%
• Date of Last Valuation	01/04
• Actuary	Stone
• Assumed Rate of Return	8.00%
• Funding Schedule	3.94% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$41.1 M
• Total Pension Appropriation (Fiscal 2006)	\$4.2 M

	Active	Retired
• Number of Members	575	382
• Total Payroll/Benefit	\$17.7 M	\$4.9 M
• Average Salary/Benefit	\$30,800	\$12,900
• Average Age	46	NA
• Average Service	10.2 years	NA

► **INVESTMENT**

Domestic Equity

- Chase Investment Counsel Corporation
- Systematic Financial Management

Domestic Fixed Income

- Longfellow Investment Management

Consultant

- Dahab Associates

Custodian

- Bank of America

► 2005 Return	7.04%
► 2005 Target	8.00%
► 2005 Market Value	\$56.5 M
► 2001-2005 (Annualized)	5.40%
► 1985-2005 (Annualized)	9.23%

Board Members

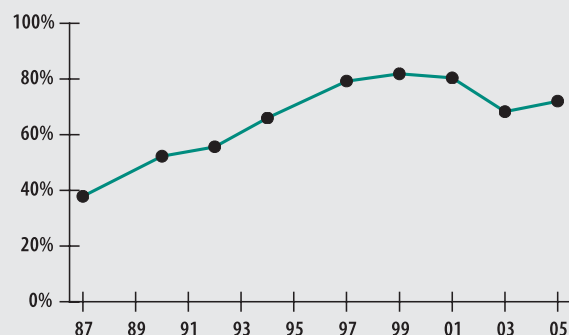
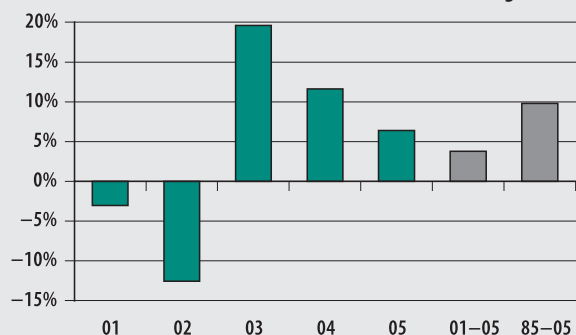
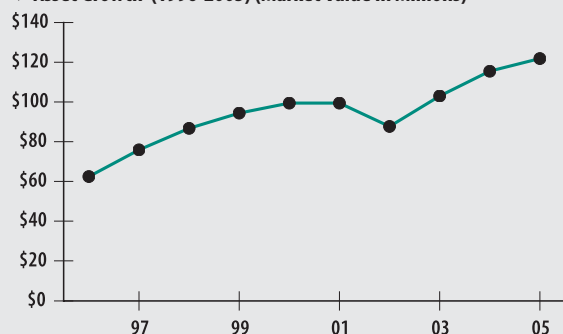
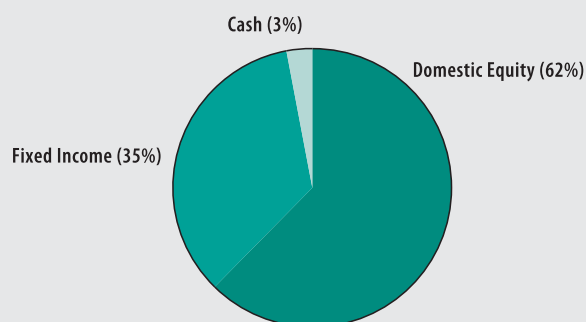
Kevin J. Regan (Chairperson),
John E. Kane, William D. Leahy,
Richard F. Russell, Deborah A. Strycharz

Board Administrator

Lynn E. Rea

Board Meeting

Third Thursday of each month at 3:00 pm

► Funded Ratio (1987-2005)

► Investment Return (2001-2005, 5 Year and 21 Year Averages)

► Asset Growth (1996-2005) (Market Value in Millions)

► Asset Allocation (12/31/05)

► ACTUARIAL

• Funded Ratio	72.1%
• Date of Last Valuation	01/05
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2024
• Unfunded Liability	\$44.6 M
• Total Pension Appropriation (Fiscal 2006)	\$5.6 M

	Active	Retired
• Number of Members	920	532
• Total Payroll/Benefit	\$30.5 M	\$8.3 M
• Average Salary/Benefit	\$33,200	\$15,600
• Average Age	46	71
• Average Service	10.8 years	NA

► INVESTMENT
Domestic Equity

- Congress Asset Management Company
- Freedom Large Cap Value Fund
- INTECH Institutional Large Cap Growth Fund
- Loomis, Sayles & Company, L.P.
- Loomis Sayles Small Cap Value Fund

Domestic Fixed Income

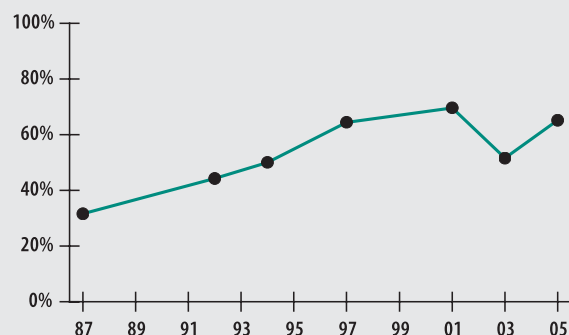
- Freedom Core Plus Fixed Income Fund
- Hartford Institutional Trust – Core Plus Fixed Income Series
- Income Research & Management

Custodian

- Investors Bank & Trust

► 2005 Return	6.38%
► 2005 Target	9.15%
► 2005 Market Value	\$121.8 M
► 2001-2005 (Annualized)	3.78%
► 1985-2005 (Annualized)	9.79%

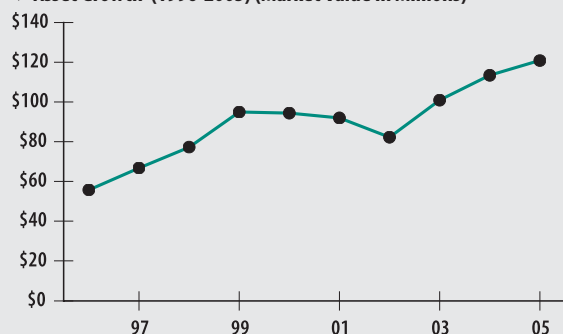
► Funded Ratio (1987-2005)



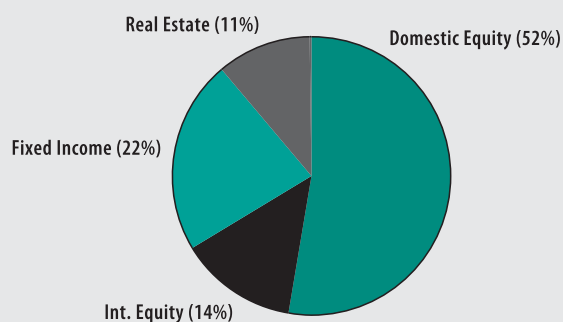
► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation (12/31/05)



► ACTUARIAL

• Funded Ratio	65.2%
• Date of Last Valuation	01/05
• Actuary	Stone
• Assumed Rate of Return	8.00%
• Funding Schedule	2.45% Increasing
• Year Fully Funded	2023
• Unfunded Liability	\$60.8 M
• Total Pension Appropriation (Fiscal 2006)	\$7.2 M

	Active	Retired
• Number of Members	827	640
• Total Payroll/Benefit	\$30.7 M	\$10.9 M
• Average Salary/Benefit	\$37,100	\$17,000
• Average Age	47	73
• Average Service	9.9 years	NA

► INVESTMENT

Domestic Equity

- Boston Company Dynamic Equity Fund
- Independence Investments, LLC
- RhumbLine S&P 500 Pooled Index Fund

International Equity

- SSgA Daily International Alpha Securities Lending Fund

Domestic Fixed Income

- Fidelity Core Plus Commingled Pool

Real Estate

- Intercontinental Real Estate Investment Fund III, LLC
- PRIT

Alternative Investments

- INVESCO Venture Partnership Fund IV, L.P.

Consultant

- Segal Advisors

Custodian

- State Street

► 2005 Return	8.65%
► 2005 Target	8.25%
► 2005 Market Value	\$120.8 M
► 2001-2005 (Annualized)	6.27%
► 1985-2005 (Annualized)	11.67%

Board Members

Joseph W. Bonner (Chairperson),
William P. Duran, Jr., James B. Gray,
George F. Morrissey, Anthony W. Ryan

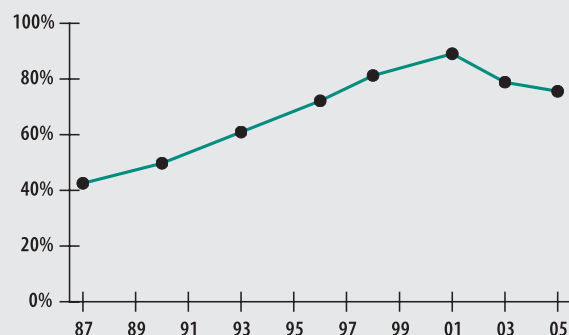
Board Administrator

Karen DeAngelis

Board Meeting

Varies

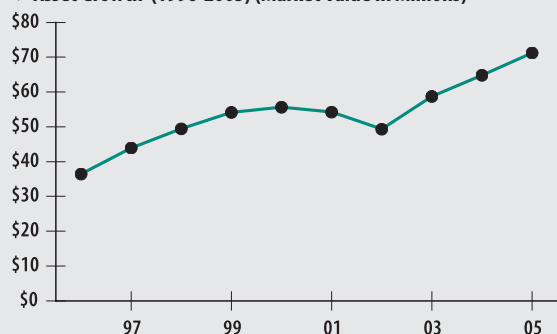
► **Funded Ratio (1987-2005)**



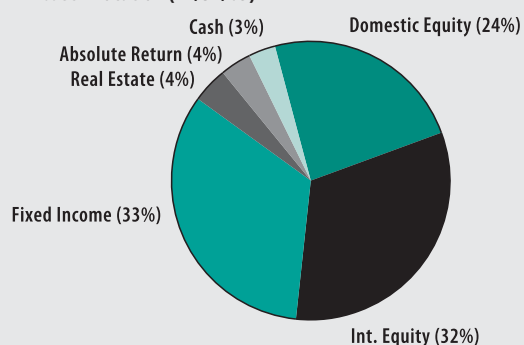
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	75.6%
• Date of Last Valuation	01/05
• Actuary	PERAC
• Assumed Rate of Return	8.00%
• Funding Schedule	1.5% Increasing
• Year Fully Funded	2028
• Unfunded Liability	\$20.2 M
• Total Pension Appropriation (Fiscal 2006)	\$2.6 M

	Active	Retired
• Number of Members	337	314
• Total Payroll/Benefit	\$14.1 M	\$4.7 M
• Average Salary/Benefit	\$41,800	\$14,800
• Average Age	47	74
• Average Service	11.9 years	NA

► **INVESTMENT**

Domestic Equity

- J.L. Kaplan Associates
- SSgA S&P 500 Flagship Fund

International Equity

- SSgA Active International Small Cap SL Common Trust Fund
- SSgA Daily Active Emerging Markets Fund
- SSgA Daily International Alpha Securities Lending Fund
- SSgA International Growth Opportunities Fund

Domestic Fixed Income

- PRIT
- Wellington Trust Co.-CIF II Core Bond Fund

Real Estate

- Guggenheim Real Estate Plus Fund
- SSgA Tuckerman, Multi-Family Development Program III
- TA Realty Associates Fund VI

Absolute Return

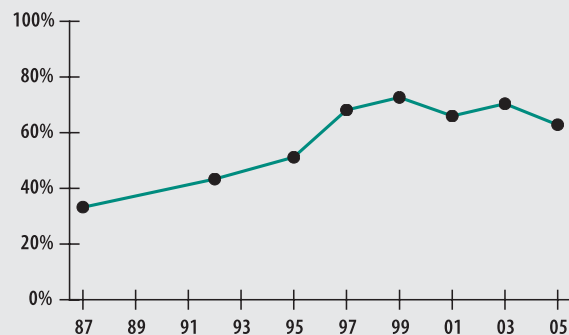
- PRIT

Custodian

- State Street

► 2005 Return	11.20%
► 2005 Target	8.00%
► 2005 Market Value	\$71.2 M
► 2001-2005 (Annualized)	7.09%
► 1985-2005 (Annualized)	10.80%

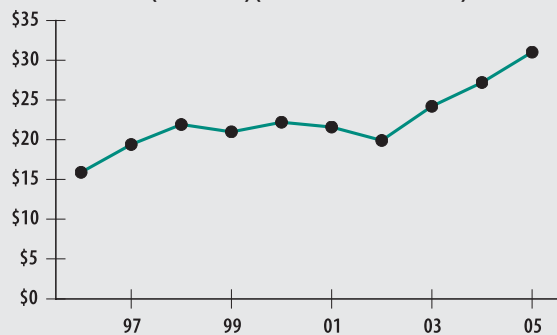
► Funded Ratio (1987-2005)



► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Millions)



► Asset Allocation

See page 121 for PRIT asset allocation chart.

► ACTUARIAL

• Funded Ratio	62.9%
• Date of Last Valuation	01/05
• Actuary	PERAC
• Assumed Rate of Return	8.25%
• Funding Schedule	2.5% Increasing
• Year Fully Funded	2021
• Unfunded Liability	\$16.1 M
• Total Pension Appropriation (Fiscal 2006)	\$2.4 M

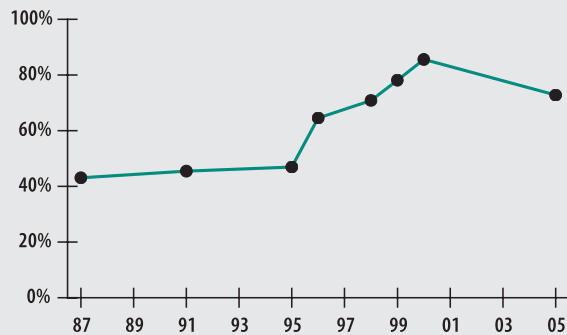
	Active	Retired
• Number of Members	246	175
• Total Payroll/Benefit	\$8.3 M	\$2.4 M
• Average Salary/Benefit	\$33,900	\$14,000
• Average Age	49	73
• Average Service	12.4 years	NA

► INVESTMENT

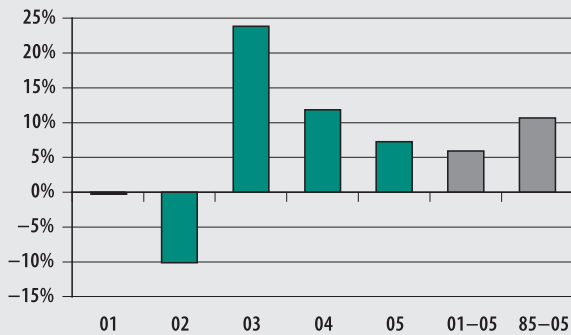
- PRIT

► 2005 Return	12.10%
► 2005 Target	8.75%
► 2005 Market Value	\$31.0 M
► 2001-2005 (Annualized)	5.76%
► 1985-2005 (Annualized)	9.97%

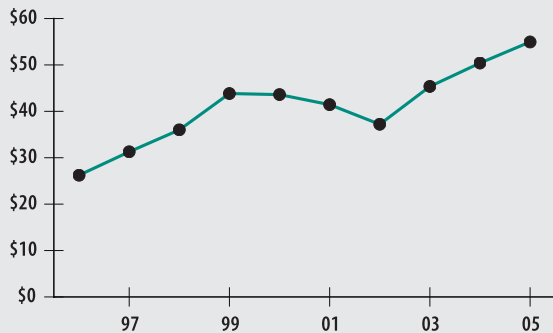
► **Funded Ratio (1987-2005)**



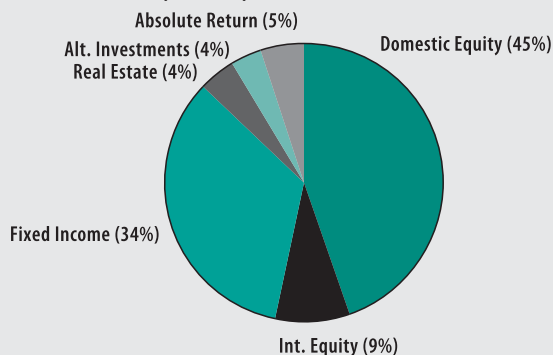
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	72.8%
• Date of Last Valuation	01/05
• Actuary	Buck
• Assumed Rate of Return	8.00%
• Funding Schedule	4.0% Increasing
• Year Fully Funded	2026
• Unfunded Liability	\$32.8 M
• Total Pension Appropriation (Fiscal 2006)	\$4.2 M

	Active	Retired
• Number of Members	534	404
• Total Payroll/Benefit	\$22.6 M	\$6.2 M
• Average Salary/Benefit	\$42,400	\$15,400
• Average Age	NA	74
• Average Service	NA	NA

► **INVESTMENT**

Domestic Equity

- Earnest Partners, LLC
- Independence Investment, LLC
- RhumbLine Russell 1000 Pooled Index Fund
- Turner Investment Partners, Inc.

Domestic Fixed Income

- American Beacon High Yield Bond Fund
- Earnest Partners, LLC
- SSgA Passive Bond Market Index Securities Lending Fund

International Fixed Income

- Wellington Trust Co. -CIF International Bond Unhedged Portfolio

Real Estate

- Intercontinental Real Estate Investment Fund II & III, LLC
- SSgA Tuckerman—Multi-Family Development Program III
- TA Realty Associates Fund V

Alternative Investments

- Charlesbank Equity Fund V & VI
- INVESCO Non-U.S. Partnership Fund III, L.P.
- INVESCO U.S. Buyout & Expansion Capital Partnership Fund III, L.P.
- INVESCO Venture Partnership Fund III, L.P.

Absolute Return

- PRIT

Emerging Markets

- PRIT

Commission Recapture

- Lynch, Jones & Ryan
- Rochdale Securities Corp

Consultant

- Wainwright Investment Counsel, LLC

Custodian

- Investors Bank & Trust

► 2005 Return	7.26%
► 2005 Target	8.71%
► 2005 Market Value	\$92.7 M
► 2001-2005 (Annualized)	5.95%
► 1985-2005 (Annualized)	10.67%

Board Members

James DelSignore (Chairperson),
Elizabeth A. Early, Raymond F. McGrath,
Thomas M. Wade, Stephen F. Wentzell

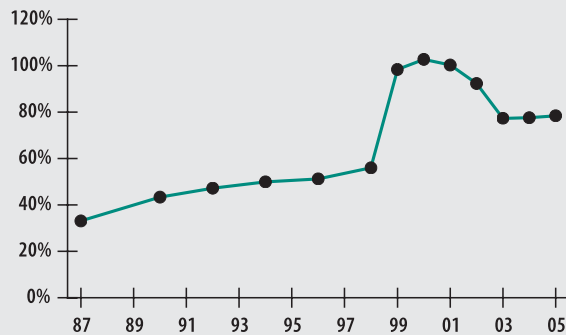
Board Administrator

Elizabeth A. Early

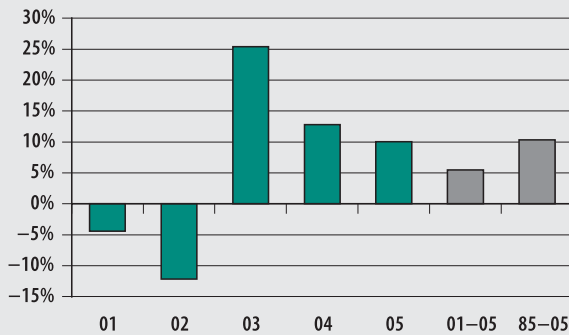
Board Meeting

Third Thursday of each month

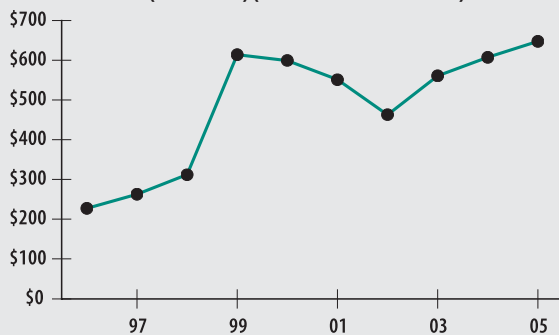
► **Funded Ratio (1987-2005)**



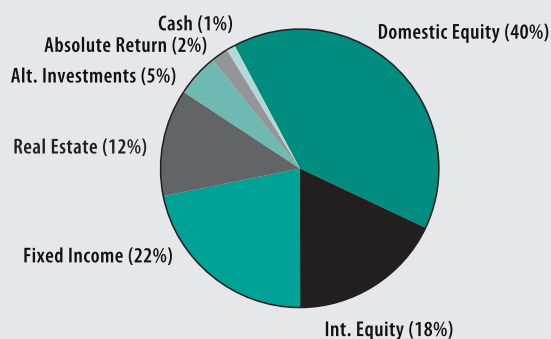
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	78.5%
• Date of Last Valuation	01/05
• Actuary	Segal
• Assumed Rate of Return	8.50%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2023
• Unfunded Liability	\$165.8 M
• Total Pension Appropriation (Fiscal 2006)	\$22.2 M

	Active	Retired
• Number of Members	3,498	2,964
• Total Payroll/Benefit	\$147.1 M	\$44.2 M
• Average Salary/Benefit	\$42,100	\$14,900
• Average Age	46	NA
• Average Service	11.7 years	NA

► **INVESTMENT**

Domestic Equity

- Boston Company Premier Value Equity Fund
- Columbia Management Group, Inc.
- Enhanced Investment Technologies (INTECH)
- Hutchens Investment Management, Inc.
- Loomis, Sayles & Company, L.P.
- Penn Capital Management Company, Inc.
- SSGA Russell 1000 Value SL Fund
- SSGA S&P 500 Flagship Fund

International Equity

- Acadian International Small Cap Fund
- Boston Company International ACWI Equity Fund
- SSGA Passive MSCI-EAFE Fund

Domestic Fixed Income

- Loomis, Sayles & Company, L.P.
- Northern Trust Daily Aggregate Bond Index Fund
- Opus Investment Management, Inc.

Real Estate

- Bailard Real Estate Investment Trust I
- Hancock Timberland VII
- Heitman Value Partners, L.P.
- Intercontinental Real Estate Investment Fund IV, LLC
- INVESCO Core Real Estate Fund
- L&B Property Fund IV
- Lend Lease Value Enhancement Fund II, III, IV

- PRIT
- RMK Balanced Timberland Fund B
- RMK Select Timberland Investment Fund I, LLC

Absolute Return

- PRIT

Alternative Investments

- Ascent Venture Partners II, III, IV, L.P.
- Boston Capital Ventures III
- Boston Millennia Partners II, L.P.
- Charlesbank Equity Fund V & VI
- Concord Partners III, L.P.
- Duke Street Capital Fund III
- European Strategic Partners I, L.P.
- INVESCO Non-U.S. Partnership Fund II, L.P.
- INVESCO U.S. Buyout Partnership Fund II, L.P.
- INVESCO Venture Partnership Fund II, L.P.
- New England Growth Fund I & II, L.P.
- Northstar Mezzanine Partners III & IV
- Riverside Capital Appreciation Fund 2000 & 2003

Cash

- Merrill Lynch Asset Management

Consultant

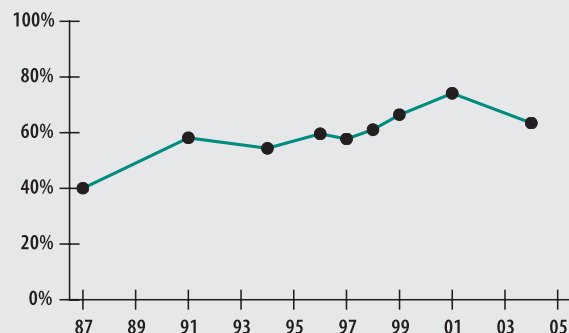
- Meketa Investment Group

Custodian

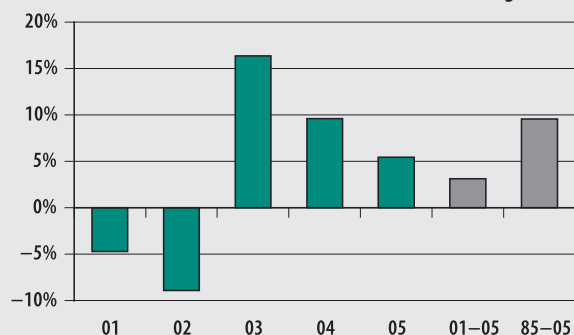
- State Street

► 2005 Return	10.02%
► 2005 Target	8.60%
► 2005 Market Value	\$647.2 M
► 2001-2005 (Annualized)	5.50%
► 1985-2005 (Annualized)	10.37%

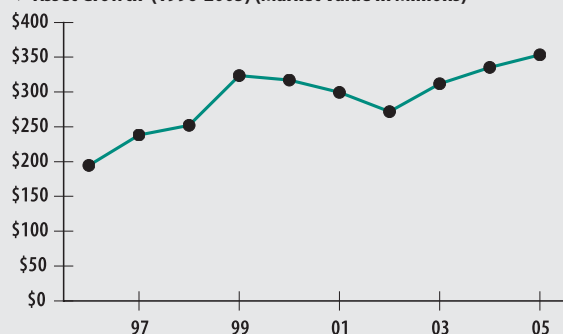
► **Funded Ratio (1987-2005)**



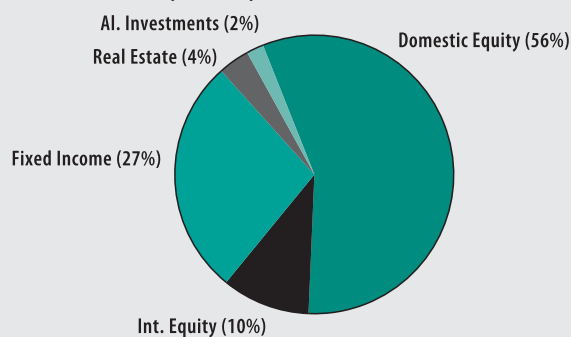
► **Investment Return (2001-2005, 5 Year and 21 Year Averages)**



► **Asset Growth (1996-2005) (Market Value in Millions)**



► **Asset Allocation (12/31/05)**



► **ACTUARIAL**

• Funded Ratio	63.5%
• Date of Last Valuation	01/04
• Actuary	Mellon
• Assumed Rate of Return	8.50%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2026
• Unfunded Liability	\$201.9 M
• Total Pension Appropriation (Fiscal 2006)	\$21.0 M

	Active	Retired
• Number of Members	5,990	2,885
• Total Payroll/Benefit	\$170.7 M	\$31.2 M
• Average Salary/Benefit	\$28,500	\$10,800
• Average Age	NA	NA
• Average Service	NA	NA

► **INVESTMENT**

Domestic Equity

- Babson Capital Management LLC
- Freedom Capital Management Corporation
- Independence Small Cap Growth Group Trust
- INTECH Risk-Managed Broad Large Cap Growth Fund
- SSgA S&P 500 Flagship Fund

International Equity

- Boston Company International Equity Fund

Domestic Fixed Income

- Fidelity Core Plus Fund
- Loomis, Sayles & Company, L.P.

Real Estate

- Intercontinental Real Estate Investment Fund III, LLC
- TA Realty Associates Fund III, IV, VII

Alternative Investments

- Ascent Venture Partners II & IV, L.P.
- Zero Stage Capital V, VI, VII, L.P.

Consultant

- Segal Advisors

Custodian

- Investors Bank & Trust

► 2005 Return	5.44%
► 2005 Target	9.00%
► 2005 Market Value	\$353.4 M
► 2001-2005 (Annualized)	3.15%
► 1985-2005 (Annualized)	9.58%

PRIM Board

84 State Street
Suite 250
Boston, MA 02109
Phone 617-946-840
Fax 617-946-8475

Board Members

Treasurer Timothy P. Cahill (Chairperson),
Alexander E. Aikens, III, C. LaRoy Brantley,
Robert Brousseau, Paul Cesan,
Theresa McGoldrick, Esq., George F. McSherry,

Peter Schwarzenbach, Ralph White

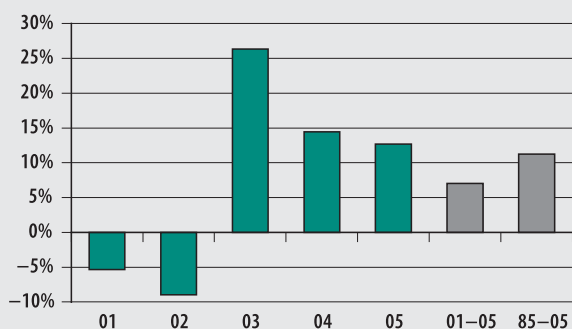
Board Administrator

Michael Travaglini

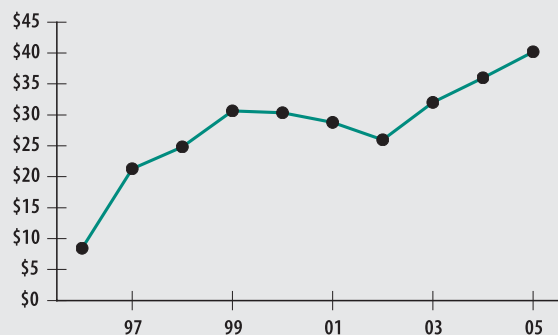
Board Meeting

Every other month, day and date varies

► Investment Return (2001-2005, 5 Year and 21 Year Averages)



► Asset Growth (1996-2005) (Market Value in Billions)



► INVESTMENT

Domestic, Emerging, and International Equity Managers

- Ariel Capital Management
- AXA Rosenberg Investment Management
- Earnest Partners
- Fidelity Management Trust Company
- Gardner Lewis
- Goldman Sachs Asset Management
- INTECH
- Lazard Asset Management
- Legg Mason Capital Management, Inc.
- Mazama Capital Management
- Numeric Investors, LP
- NWQ
- Pacific Investment Management Company (PIMCO)
- Putnam Advisory Company, LLC
- State Street Global Advisors
- Wellington Management Company, LLP

International Equity Managers

- Baillie Gifford
- Boston Company (The)
- Marathon Asset Management Ltd.
- State Street Global Advisors

Fixed Income Managers

- Barclays Global Advisors
- Blackrock Financial Management
- Bridgewater Associates, Inc.
- Loomis, Sayles & Company
- Pacific Investment Management Company (PIMCO)

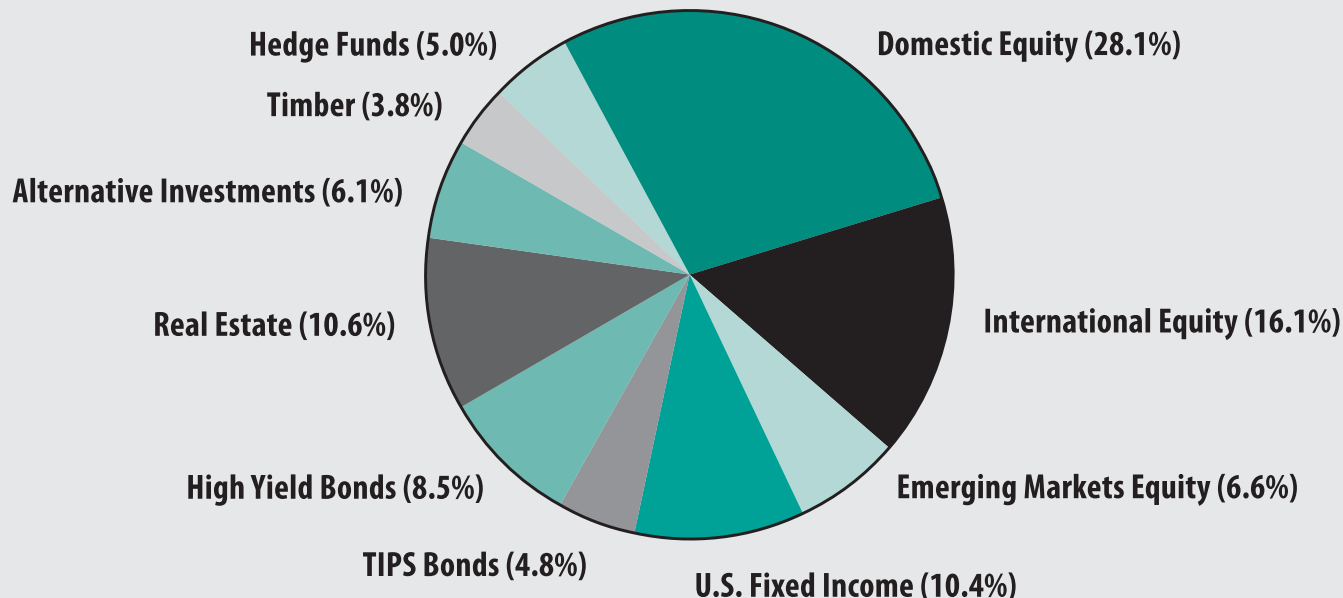
High Yield Debt Managers

- Angelo Gordon
- Ashmore Investment Management
- Fidelity Management Trust Company
- Grantham, Mayo, Van Otterloo (GMO)
- Loomis, Sayles & Company
- Oaktree Capital Management
- Pacific Investment Management Company (PIMCO)
- Seix Investment Advisors
- Shenkman Capital Management
- TCW

Emerging Markets Managers

- Emerging Markets Management
- Grantham, Mayo, Van Otterloo (GMO)
- T Rowe Price

► Asset Allocation (12/31/05)



► **INVESTMENT (CONT.)**

Core Real Estate Managers

- INVESCO Realty Advisors
- J.P. Morgan Investment Management
- LaSalle Investment Management
- RREEF America, LLC
- TA Associates Realty

Value Real Estate Managers

- LaSalle Investment Management

REIT Managers

- INVESCO Realty Advisors
- LaSalle Investment Management
- RREEF America, LLC
- Urdang Advisors
- Wellington Management Company, LLP

Timber Managers

- Campbell Group (The) LLC
- Forest Investment Associates

Venture Capital and Special Equity Partnerships

- Advent International
- Alchemy Partners
- Alta Communications
- APAX Partners & Co.
- Apollo Management Co.
- Austin Ventures
- Battery Ventures
- Belmont Capital Partners
- Berkshire Partners, LLC
- Blackstone Group
- Boston Ventures
- Brown Brothers Harriman & Co.
- Candover
- Capital Resource Lenders
- Charles River Ventures
- Charlesbank Capital Partners
- Commonwealth Capital Ventures
- Crossroads Group
- CSFB Private Equity (DLJ Merchant Banking Partners)
- CVC Capital
- Cypress Merchant Banking Partners
- Davis Venture Partners
- Dominion Ventures
- El Dorado Ventures

- Equitable Capital Management Corp.
- Essex Woodlands Health Ventures
- First Reserve Corporation
- Flagship Ventures (One Liberty, Morgan Holland)
- Freeman Spogli Equity Partners
- GTCR Golder, Rauner
- Harborvest Partners
- Hellman & Friedman Capital Partners
- H.I.G. Capital Partners
- Highland Capital Partners
- Insight Venture Partners
- InterWest Partners
- Joseph Littlejohn & Levy Fund
- Kelso & Company
- Kohlberg Kravis Roberts and Co.
- Landmark Equity Partners
- Madison Dearborn Capital Partners
- M/C Venture Partners
- Menlo Ventures
- Montagu
- Nautic Partners Chisholm Management Company)
- New Enterprise Associates
- Nordic Capital
- Olympus Partners
- Permira Ventures
- Polaris Venture Partners
- Quad-C Management, Inc.
- Richland Ventures
- Sentry Financial Corporation
- Spark Capital
- Spectrum Equity Partners
- Summit Ventures
- TA Associates/Advent
- Texas Pacific Group
- Thoma Cressey Partners
- Thomas H. Lee Equity Partners, LP
- Trident Capital
- VantagePoint Partners
- Venture Capital Fund of New England
- Vestar Capital Partners
- Welsh Carson Anderson & Stowe
- Weston Presidio Capital
- Whitney & Company
- William Blair Mezzanine Capital Fund, LP

- Willis Stein

Absolute Return Managers

- Arden Asset Management
- Ivy
- K2 Advisors
- Pacific Alternative Asset Management Company (PAAMCO)
- The Rock Creek Group

Consultants

- Cliffwater, LLC
- New England Pension Consultants
- Pathway Capital Management
- Townsend Group

Custodian

- Mellon Trust

► 2005 Return	12.70%
► 2005 Target	8.12%
► 2005 Market Value	\$40.2 B
► 2001-2005 (Annualized)	7.04%
► 1985-2005 (Annualized)	11.27%

Disability Retirement Statistics as of 12.31.05

	Disability Panel Requests	Disability Retirement Approvals	Accidental Death Approvals	Disability Nurse CME Reviews	Physician CME/RTS Reviews
Retirement Boards with 40–399 Active Members					
• Adams	0	0	0	0	0
• Amesbury	0	1	0	0	0
• Athol	2	1	0	2	0
• Blue Hills Regional	0	0	0	0	0
• Clinton	1	1	1	1	0
• Dedham	4	2	0	1	2
• Easthampton	0	1	0	2	0
• Fairhaven	0	0	0	1	0
• Gardner	0	3	0	1	0
• Greater Lawrence	0	0	0	0	0
• Greenfield	4	1	0	1	0
• Hull	2	0	0	2	0
• MHFA	0	0	0	0	0
• Marblehead	2	3	0	1	0
• Maynard	0	0	0	0	0
• Milton	3	2	0	0	0
• Minuteman Regional	0	0	0	0	0
• Montague	0	3	0	1	0
• Newburyport	1	1	0	0	0
• North Adams	2	1	0	2	0
• Northbridge	0	0	0	1	0
• Reading	0	1	2	3	0
• Saugus	0	1	0	3	0
• Southbridge	0	0	0	1	0
• Stoneham	0	1	0	3	0
• Swampscott	0	0	0	1	0
• Webster	1	0	0	1	0
• Winchester	2	0	0	3	0
• Winthrop	1	0	0	1	0
Retirement Boards with 400–599 Active Members					
• Belmont	0	1	0	3	0
• Beverly	6	4	0	2	0
• Concord	0	0	0	2	0
• Danvers	1	0	0	0	0
• Everett	3	0	0	4	2

Disability Retirement Statistics as of 12.31.05

	Disability Panel Requests	Disability Retirement Approvals	Accidental Death Approvals	Disability Nurse CME Reviews	Physician CME/RTS Reviews
Retirement Boards with 400–599 Active Members (cont.)					
• Gloucester	5	4	1	6	2
• Hingham	1	1	0	3	0
• Lexington	4	4	0	0	0
• Melrose	3	0	0	2	0
• Milford	0	3	0	4	1
• Natick	0	0	0	0	0
• North Attleboro	0	0	0	3	0
• Norwood	0	0	0	5	0
• Revere	5	6	0	3	0
• Shrewsbury	1	1	0	1	0
• Wakefield	2	1	1	1	0
• Watertown	1	1	2	1	0
• Wellesley	2	3	1	2	1
• West Springfield	3	1	1	7	1
• Woburn	2	2	1	1	0
Retirement Boards with 600–899 Active Members					
• Andover	4	5	0	2	0
• Arlington	9	4	0	3	0
• Attleboro	0	1	0	2	1
• Braintree	4	5	0	3	1
• Chelsea	4	3	1	1	0
• Dukes County	2	1	0	3	0
• Falmouth	5	2	0	3	2
• Fitchburg	3	3	1	6	0
• Leominster	0	0	0	2	0
• Malden	5	2	3	7	0
• Marlborough	0	1	0	2	1
• Medford	8	3	1	7	2
• Methuen	1	2	0	2	0
• Needham	1	2	0	0	0
• Northampton	3	0	1	4	0
• Peabody	3	2	0	3	1
• Salem	4	1	3	5	0
• Weymouth	6	2	1	3	0

Disability Retirement Statistics as of 12.31.05

	Disability Panel Requests	Disability Retirement Approvals	Accidental Death Approvals	Disability Nurse CME Reviews	Physician CME/RTS Reviews
Retirement Boards with 900–2,399 Active Members					
• Berkshire Regional	2	2	0	1	0
• Brockton	8	5	1	12	0
• Brookline	13	10	2	8	0
• Chicopee	7	4	0	7	1
• Fall River	19	14	3	13	0
• Framingham	7	8	1	5	1
• Franklin County	2	1	0	1	0
• Haverhill	6	5	0	4	0
• Holyoke	5	4	2	9	2
• Lawrence	2	4	1	6	2
• Lowell	5	5	4	8	1
• Lynn	10	12	5	10	0
• MWRA	4	0	0	6	0
• Massport	3	4	0	3	0
• Mass Turnpike	6	8	0	5	0
• Newton	14	11	1	13	1
• Pittsfield	4	3	1	8	2
• Plymouth	4	3	0	7	2
• Quincy	6	8	1	6	0
• Somerville	2	5	0	9	0
• Taunton	13	8	2	7	0
• Waltham	1	3	1	4	1
• Westfield	1	3	1	6	0
Retirement Boards with 2,400–20,500 Active Members					
• Barnstable County	22	17	1	18	3
• Bristol County	18	15	1	17	0
• Boston	143	122	13	55	7
• Cambridge	16	11	1	17	0
• Essex Regional	11	10	2	8	1
• Hampden County Regional	4	5	1	6	0
• Hampshire County	2	1	0	6	1
• Middlesex	22	19	1	25	2
• New Bedford	19	12	3	28	3
• Norfolk County	15	14	1	23	1
• Plymouth County	16	8	3	19	4

Disability Retirement Statistics as of 12.31.05

	Disability Panel Requests	Disability Retirement Approvals	Accidental Death Approvals	Disability Nurse CME Reviews	Physician CME/RTS Reviews
Retirement Boards with 2,400–20,500 Active Members (cont.)					
• Springfield	21	28	4	34	3
• Worcester	26	29	4	29	1
• Worcester Regional	15	12	1	10	1
Retirement Boards with 20,501-90,000 Active Members					
• State	252	221	14	248	22
• State Teachers	37	20	1	36	2
Total All Retirement Boards	909	768	98	877	81

Restoration to Service Statistics

(Provided for those boards where a disability retiree has returned to work.)

• Everett 1 • Holyoke 1 • Newton 1 • Somerville 2

PERAC Staff

Administration

- Joseph E. Connarton
Executive Director
- Kevin P. Blanchette
Deputy Executive Director of Operations
- Joseph I. Martin
Deputy Executive Director of Policy & Development
- Michael J. DeVito
Director of Strategic Planning, Management & Public Affairs
- Caroline J. Carcia
Human Resources Manager
- Kim Raynowska
Senior Executive Assistant
- Virginia Barrows
Fiscal Officer
- Linda Boyle
Executive Assistant to Kevin P. Blanchette
- Katie Bozzi
Administrative Assistant
- Joan Arsenault
Administrative Secretary
- Tracey A. Miles
Administrative Secretary

Actuarial

- James Lamenzo
Actuary
- John Boorack
Senior Actuarial Analyst
- Scott Henderson
Actuarial Analyst

Audit

- Timothy McDaid
Chief Auditor
- Harry Chadwick
Western Chief Auditor
- Robert Madison
Senior Auditor
- Richard Ackerson
Auditor
- Mary Dundas
Auditor
- Martin Feeney
Auditor
- Carol Niemira
Auditor
- James Ryan
Auditor
- James Sweeney
Auditor
- James Tivnan
Auditor

Communications

- Sarah Kelly
Communication & Education Director
- Michael Litvack
Webmaster/Graphic Design Specialist
- Ben Polatin
Communication Specialist

Disability

- Barbara Lagorio
Director of Disability
- Kate Hogan
Manager of Medical Records
- Mary Jane Carritte
Clinical Case Manager
- Patrice Looby
Nurse Case Manager
- Doreen Duane
Case Manager
- Regina Manning
Administrative Assistant

Fraud

- Robert A. Panico
Fraud Investigation Manager
- Sandra King
Investigative Auditor

Information Systems

- Paul Laliberte
Director of Information Systems
- Anthony Tse
Senior Systems Engineer
- K-Lone Steele
Systems Engineer
- Irina Boukina
Senior Programmer/Analyst
- Mark Joseph
Programmer/Analyst

Investment

- Robert Dennis
Investment Director
- Dana Mahoney
Compliance Officer
- Victoria Marcorelle
Senior Investment Analyst
- Rose Cipriani
Administrative Assistant
- Veronica Colon
Fund Accountant
- Savy Hang
Fund Accountant

Legal

- Barbara Phillips
General Counsel
- Judith Corrigan
Deputy General Counsel
- Derek Moitoso
Associate General Counsel
- Susan Childs
Executive Assistant to Barbara Phillips



PERAC

Five Middlesex Ave., Third Floor, Somerville, MA 02145

Phone: 617 666 4446 Fax: 617 628 4002 TTY: 617 591 8917

www.mass.gov/perac